

CHAPTER 331—H. F. No. 1282

[Coded]

An act relating to liability of person selling insurance in an unauthorized company; amending Minnesota Statutes 1967, Section 60A.17, by adding a new subdivision.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1967, Section 60A.17, is amended by adding a subdivision to read:

Subd. 12. Insurance; liability for placing insurance in unauthorized company. If any person, regardless of whether he is required to be licensed as an insurance agent or insurance solicitor, participates in any manner in the sale of any insurance policy or certificate for or on behalf of any company which is required to be, but which is not authorized to engage in the business of insurance in this state, such person is personally liable for all premiums, whether earned or unearned, paid by the insured, and such premiums may be recovered by the insured. In addition, he shall be personally liable for any loss the insured has sustained or may sustain if the loss is one resulting from a risk or hazard covered in the issued policy or certificate or which would have been covered if the policy or certificate had been issued to the purchaser of the insurance.

Approved May 9, 1969.

CHAPTER 332—H. F. No. 1283

An act relating to insurance; prescribing requirements governing termination of agents' licenses; amending Minnesota Statutes 1967, Section 60A.17, Subdivision 7.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1967, Section 60A.17, Subdivision 7, is amended to read:

Subd. 7. Insurances; agents' licenses; revocation of license. (1) By commissioner. The commissioner may at any time revoke the license of any insurance agent or solicitor or suspend the same for not less than 30 days if he shall be satisfied that any such licensee is not qualified under the provisions of this section,

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and he shall give such notice thereof as he deems will best protect the public.

(2) **By company or agent.** The license of any person as agent for any insurer shall likewise be revoked by the commissioner when written request therefor is made by the insurer. The license of any solicitor shall likewise be revoked when written request therefor is made by the agent employing him or by the company whose agent appointed him. *Accompanying the notice of termination given to the commissioner by the insurer or agent shall be a statement of the specific reasons constituting the cause for termination. Within 30 days after the insurer or agent gives notice of termination to the commissioner, the insurer or agent shall furnish the agent or solicitor with a current statement of his commission account. Any information, document, record or statement so disclosed or furnished to the commissioner shall be deemed confidential by the commissioner and a privileged communication; provided however that within 10 days after he receives notice of revocation, the agent or solicitor may request of the commissioner and the commissioner shall disclose to the agent or solicitor the specific reason or reasons for termination. Such information, document, record or statement shall not be admissible in whole or in part for any purpose in any action or proceeding against (a) the agent or the insurer or any of its officers, employees, or representatives, submitting or providing such information, document, record or statement, or (b) any person, firm, or corporation furnishing in good faith to such agent or insurer the information upon which the reasons for termination are based.*

(3) **Notice of revocation.** Notice of the revocation or suspension shall be given to the person, by mail, and shall be deemed complete if the notice is deposited in the mails, postage prepaid, directed to the person at his last known place of residence, as disclosed by the application for license on behalf of that person. Notice of the revocation or suspension or the refusal of an agent's license shall, in like manner, be given to the insurer which applied therefor. Notice of the refusal of a solicitor's license shall, in like manner, be given to the applicant therefor.

(4) **Complaint, hearing, bond, reinstatement.** The commissioner, when he deems it advisable, may require any complaint made against an insurance agent or solicitor to be in writing and sworn to by the person making the same. When the commissioner shall deem it advisable, and in all cases where the complaint or the agent or solicitor requests the same in writing, the commissioner shall grant a summary hearing in his office to determine whether or not the license shall be refused, revoked, or suspended and, if an appearance

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shall not be made at the hearing, the license of the person applying for the same, or on whose behalf application for the same is made, or who is complained against, shall be forthwith refused, revoked, or suspended, as the case may be. When the license of any agent or solicitor has been refused or revoked for cause, no new application for a license shall be entertained by the commissioner for one year thereafter, and then only upon condition that this person shall file with the commissioner a good and sufficient bond, in the sum of \$5,000, for the protection of the citizens of the state, which bond shall be maintained by the licensee in full force and effect for a period of five years immediately following the issuance of the license, unless the commissioner at his discretion shall after two years permit the licensee to sooner terminate the maintenance and filing of such bond.

(5) **Unfitness of any person whose license has expired or has been revoked by the insurer.** Upon proper complaint the commissioner may, in like manner, determine the unfitness of any person whose license as agent or solicitor has expired, or has been revoked upon the request of the insurer for which he was licensed, to be thereafter licensed as insurance agent or solicitor, and record thereof shall be made as in the case of revocation, refusal, or suspension of an agent's or solicitor's license.

(6) **Record of refusals, revocations or suspensions.** The commissioner shall keep a record of the name and address of every person whose license as agent or solicitor has been refused, revoked, or suspended, together with a brief statement of the reasons therefor and the facts connected therewith, which record shall be open to public inspection.

Approved May 9, 1969.

CHAPTER 333—H. F. No. 1383

[Coded in Part]

An act relating to ambulance service by counties, cities, villages, towns, boroughs and hospital districts; amending Minnesota Statutes 1967, Sections 412.301, 447.35 and 475.52, Subdivisions 2 and 3; repealing Minnesota Statutes 1967, Section 375.191.

Be it enacted by the Legislature of the State of Minnesota:

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