

CHAPTER 282—H.F.No.956

An act relating to insurance; requiring agents of fraternal benefit associations to be licensed; amending Minnesota Statutes 1969, Section 60A.17, Subdivisions 1 and 2.

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

Section 1. Minnesota Statutes 1969, Section 60A.17, Subdivision 1, is amended to read:

60A.17 INSURANCE; LICENSES; FRATERNAL BENEFIT ASSOCIATIONS; AGENTS; SOLICITORS. Subdivision 1. **LICENSE REQUIRED.** No person shall act or assume to act as an insurance agent or solicitor in the solicitation or procurement of applications for insurance, nor in the sale of insurance or policies of insurance, nor in any manner aid as an insurance agent or solicitor in the negotiation of insurance by or with an insurer, including resident agents or reciprocal or interinsurance exchanges, ~~except and fraternal beneficiary associations and~~ except township mutual companies, until such person shall obtain from the commissioner a license therefor, which license shall specifically set forth the name of the person so authorized to act as agent or solicitor and the class or classes of insurance for which he is authorized to solicit or counter-sign policies.

For the purposes of determining whether an agent of a fraternal benefit association must be licensed under this subdivision, the term insurance agent means any authorized or acknowledged agent of a fraternal benefit association acting as such in the solicitation, negotiation or procurement or making of a life insurance, accident and health insurance or annuity contract, except that the term insurance agent shall not include:

(a) any regular salaried officer or employee of a fraternal benefit association who devotes substantially all of his services to activities other than the solicitation of fraternal insurance contracts from the public, and who receives for the solicitation of contracts no commission or other compensation directly dependent upon the amount of business obtained; or

(b) any agent or representative of a fraternal benefit association who devotes, or intends to devote, less than 50 percent of his time to the solicitation and procurement of insurance contracts for the fraternal benefit association. Any person who, in the preceding calendar year, has solicited and procured life insurance contracts on behalf of any fraternal benefit association in an amount of insurance in excess of \$50,000, or, in the case of any other kind or kinds of insurance which the fraternal benefit association might write, on the

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persons of more than 25 individuals and who has received or will receive a commission or other compensation therefor in the total amount of \$1,000 or more, shall be presumed to be devoting, or intending to devote, 50 percent of his time to the solicitation or procurement of insurance contracts for the fraternal benefit association.

Sec. 2. Minnesota Statutes 1969, Section 60A.17, Subdivision 2, is amended to read:

Subd. 2. **LICENSE PROCEDURE AND REQUIREMENTS.**
(1) **REQUISITION BY INSURER.** A license to any person to act as insurance agent shall only be granted by the commissioner, upon the written requisition of an insurer, to a qualified person.

(2) **EXAMINATION.** To become qualified, a person shall complete a written application furnished by the commissioner, and he shall take and pass the examination prescribed for one or more of the following lines of insurance: fire and marine, automobile, accident and health, life, general casualty, fidelity and surety, farm windstorm and hail. The examination shall be given only after the applicant has completed a program of studies in a school, which shall include a school conducted by an admitted insurer, a correspondence course given by an admitted insurer, or other such course of study. Said course of study shall consist of a minimum of ten hours study for each line for which a license application is made. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by an admitted insurer shall accompany the agent's license application. This program of studies in a school or a study course shall not apply to farm windstorm and hail applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by directive.

(3) **FEES.** Prior to his taking the examination, the applicant shall transmit to the commissioner of insurance, by money order or cashier's check payable to the state treasurer, a fee prescribed by section 60A.14, subdivision 1, (3) (h). If an applicant pays an examination fee and within one year from the date of that payment does not either make a written request for a refund or take the examination for which the fee was paid, that fee is forfeited to the state of Minnesota. The license issued shall expire May 31 of each year, unless renewed by written request of the insurer with payment of renewal fee as prescribed by section 60A.14, subdivision 1, (3) (i). Further the insurer shall remit the fee prescribed by section 60A.14, subdivision 1, (3) (i), for each amendment requested on a license.

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Any applicant who has held a license as an agent for a specific line within three years prior to his application or renewal application shall be entitled to a renewal of his license for that line without examination.

(4) **EXCEPTIONS.** (a) Any officer of a licensed insurer may, without license or other qualification, act in its behalf in the negotiation and consummation of insurance and appoint agents for the company.

(b) Where the agent or solicitor has previously filed with the commissioner such an application, the commissioner may renew his license without requiring further application.

(c) No agent or solicitor licensed on January 1, 1944, shall be required to take an examination to determine his competence to transact business in the lines of insurance for which he was licensed on that date. No insurance agent for a fraternal benefit association shall be required to take an examination to become eligible for an agent's or solicitor's license if it is certified by one or more licensed fraternal benefit associations that such agent has been acting in the capacity of an agent prior to January 1, 1971.

(d) No examination or program of studies or study course shall be required of an applicant for a license as a non-resident agent who is duly licensed as an agent or broker in the state of his residence, provided such state requires no like examination of licensed agents of this state.

Sec. 3. This act shall be effective September 1, 1971.

Approved May 14, 1971.

CHAPTER 283—H.F.No.1007

[Coded]

An act relating to review organizations; limiting liability of persons furnishing information to and serving on review organizations; providing for the confidentiality of records of review organizations; providing penalties for disclosure.

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

Section 1. [145.61] **HEALTH; REVIEW ORGANIZATIONS; DEFINITIONS.** Subdivision 1. As used in this act the terms defined in this section have the meanings given them.

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