

Sec. 2. This act is effective July 1, 1980.

Approved March 31, 1980

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**CHAPTER 400—H.F.No. 1601**

*An act relating to political parties; allowing members of political party committees and delegates to party conventions to take certain leave time from employment; providing penalties; amending Minnesota Statutes 1978, Chapter 202A, by adding a section.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Chapter 202A, is amended by adding a section to read:

**[202A.135] LEAVE TIME FROM EMPLOYMENT; PARTY OFFICERS; DELEGATES TO PARTY CONVENTIONS.** Upon giving at least ten days written notice to his employer, an employee may absent himself from his work to attend any meeting of the state central committee or executive committee of a political party if the employee is a member of the committee, or to attend any convention of political party delegates including meetings of official convention committees if the employee is a delegate or alternate delegate to that convention. An employee who gives proper notice as provided in this section shall suffer no penalty or deduction from his salary or wages on account of his absence other than a deduction in salary or wages for the actual time of his absence from employment. A violation of this section by an employer is a misdemeanor.

Sec. 2. This act is effective the day following its final enactment.

Approved March 31, 1980

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**CHAPTER 401—H.F.No. 1623**

*An act relating to insurance; providing for the operation of the Minnesota life and health insurance guaranty association; correcting certain oversights and ambiguities; making certain improvements; amending Minnesota Statutes 1978, Sections 61B.02, Subdivision 1; 61B.05, by adding a subdivision; 61B.07, Subdivisions 1, 2, 3 and 7; and 61B.15.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Section 61B.02, Subdivision 1, is amended to read:

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61B.02 SCOPE, PURPOSE AND CONSTRUCTION. Subdivision 1. SCOPE. Sections 61B.01 to 61B.16 apply to direct life insurance policies, health insurance policies, annuity contracts, and contracts supplemental to life and health insurance policies or annuity contracts, issued by persons authorized at any time to transact insurance in this state. Sections 61B.01 to 61B.16 do not apply to:

(a) Any policy or contract or part thereof under which the risk is borne by the policyholder;

(b) Any policy or contract or part thereof assumed by an impaired insurer under a contract of reinsurance other than reinsurance for which assumption certificates have been issued;

(c) Any policy or contract issued by an assessment benefit association operating under chapter 63, or a fraternal beneficiary association operating under chapter 64A; or

(d) Any subscriber contract issued by a nonprofit health service plan corporation operating under chapter 62C ; or

(e) Any health insurance policies issued by a person other than a person authorized to write life insurance in this state or other than a person whose corporate charter would permit the writing of life insurance but who is authorized to write only health insurance in this state .

Sec. 2. Minnesota Statutes 1978, Section 61B.05, is amended by adding a subdivision to read:

Subd. 4. COMMITTEES AND MEETINGS. Except as otherwise prescribed in the plan of operation:

(a) The board of directors may, by unanimous affirmative action of the entire board, designate two or more of their number to constitute an executive committee, which, to the extent determined by unanimous affirmative action of the entire board, has and shall exercise the authority of the board in the management of the business of the association. This executive committee shall act only in the interval between meetings of the board, and is subject at all times to the control and direction of the board.

(b) The board of directors may, by unanimous affirmative action of the entire board, create additional committees, which have and shall exercise the specific authority and responsibility as determined by the unanimous affirmative action of the entire board.

(c) Any action which may be taken at a meeting of the board of directors or of a lawfully constituted executive committee thereof may be taken without a meeting if authorized by a writing or writings signed by all the directors or by all of the members of the committee, as the case may be. This action is effective on the date on which the last signature is placed on the writing or writings, or an earlier effective date as set forth therein.

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(d) Members of the board of directors or of a lawfully constituted executive committee thereof, may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this clause constitutes presence in person at the meeting.

Sec. 3. Minnesota Statutes 1978, Section 61B.07, Subdivision 1, is amended to read:

**61B.07 ASSESSMENTS. Subdivision 1. ASSESSMENT BY BOARD.** For the purpose of providing the funds necessary to carry out the powers and duties of the association, the board of directors shall assess the member insurers separately for each account, at ~~such~~ the times and for ~~such~~ the amounts as the board finds necessary. ~~The board shall collect the assessments after 30 days written notice to the member insurers that payment is due. Assessments are due on the date specified by the board. This date shall not be less than 30 days after prior written notice thereof to the member insurers, and shall accrue interest at the rate of six percent a year on and after the due date.~~

Sec. 4. Minnesota Statutes 1978, Section 61B.07, Subdivision 2, is amended to read:

**Subd. 2. CLASSES OF ASSESSMENTS.** There shall be three classes of assessments, as follows:

(a) Class A assessments shall be made for the purpose of meeting administrative costs and other general expenses not related to a particular impaired insurer and conducting examinations under section 61B.10 ;

(b) Class B assessments shall be made to the extent necessary to carry out the powers and duties of the association under section 61B.06 with regard to impaired domestic insurers;

(c) Class C assessments shall be made to the extent necessary to carry out the powers and duties of the association under section 61B.06 with regard to impaired foreign or alien insurers.

Sec. 5. Minnesota Statutes 1978, Section 61B.07, Subdivision 3, is amended to read:

**Subd. 3. FORMULA FOR DETERMINATION.** (a) The amount of any class A assessment ~~for each account~~ shall be determined by the board and may be made on a non-pro rata basis . The amount of any class B or C assessment shall be divided allocated for assessment purposes among the accounts in the proportion that the premiums received by the impaired insurer on the policies covered by each account bear to the premiums received by the impaired insurer on all covered policies.

(b) ~~Class A and class C~~ assessments against member insurers for each account shall be in the proportion that the premiums received on business in this state by each assessed member insurer on policies covered by each account bear to premiums received on business in this state by all assessed member insurers.

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Notwithstanding the foregoing, the minimum class C assessment against a member insurer is \$10.

(c) Class B assessments for each account shall be made separately for each state in which the impaired domestic insurer was authorized to transact insurance at any time, in the proportion that the premiums received on business in the state by the impaired insurer on policies covered by the account bear to premiums received in all states by the impaired insurer. The assessments against member insurers shall be in the proportion that the premiums received on business in each state by each assessed member insurer on policies covered by each account bears to premiums received on business in the state by all assessed member insurers. Notwithstanding the foregoing, the minimum class B assessment against a member insurer is \$10.

(d) Assessments for funds to meet the requirements of the association with respect to an impaired insurer shall not be made until necessary to implement the provisions of sections 61B.01 to 61B.16. Classification of assessments under subdivision 2, and computation of assessments under this subdivision shall be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible.

Sec. 6. Minnesota Statutes 1978, Section 61B.07, Subdivision 7, is amended to read:

Subd. 7. **CERTIFICATE OF CONTRIBUTION.** The association shall issue to each insurer paying an assessment under sections 61B.01 to 61B.16, other than a class A assessment, a certificate of contribution, in a form prescribed by the commissioner, for the amount of the assessment paid. All outstanding certificates shall be of equal dignity and priority. A certificate of contribution may be shown by the insurer in its financial statement as an admitted asset in the form and for the amount and period of time as the commissioner may approve.

Sec. 7. Minnesota Statutes 1978, Section 61B.15, is amended to read:

**61B.15 INDEMNIFICATION.** The association shall provide insurance coverage indemnifying members of the board of directors for any personal liability arising out of any action, excluding intentional misconduct, taken by them in performance of their powers and duties under sections 61B.01 to 61B.16. The association has authority to indemnify certain persons against certain expenses and liabilities as provided in section 300.082 including the power to purchase and maintain insurance on behalf of these persons as provided by section 300.082, subdivision 7. In applying section 300.082 for this purpose, the term "member insurers" shall be substituted for the terms "shareholders" and "stockholders" and the term "association" shall be substituted for the term "corporation".

Sec. 8. Assessments made under chapter 61B prior to the effective date of this act are not affected by this act.

Sec. 9. This act is effective the day following its final enactment.

Approved March 31, 1980

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