

date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration date. A cancellation or termination is not effective until 30 days after written notice has been filed with the commissioner in a manner prescribed by the commissioner unless prior to the expiration of the 30-day period the employer obtains other insurance coverage or an order exempting the employer from carrying insurance as provided in section 176.181. Upon receipt of the notice the commissioner shall notify the insured that the insured must obtain coverage from some other licensed carrier and that, if unable to do so, the insured shall request the commissioner of commerce to require the issuance of a policy as provided in section 79.251, subdivision 4. Upon a cancellation or termination of a policy by the insurer the employer is entitled to be assigned a policy in accordance with sections 79.251 and 79.252.

(b) Notice of cancellation or termination by the insured shall be served upon the insurer by written statement mailed or delivered to the insurer. Upon receipt of the notice the insurer shall notify the commissioner of the cancellation or termination and the commissioner shall ask the employer for the reasons for the cancellation or termination and notify the employer of the duty under this chapter to insure the employer's employees.

(c) In addition to the requirements under paragraphs (a) and (b), with respect to any trucker employer in classifications 7219, 7230, 7231, or 7360 pursuant to the classification plan required to be filed under section 79.61, if the insurer or its agent has delivered or mailed a written certificate of insurance certifying that a policy in the name of a trucker employer under this paragraph is in force, then the insurer or its agent shall also deliver or mail written notice of any mid-term cancellation to the trucker employer recipient of the certificate of insurance at the address listed on the certificate. If an insurer or its agent fails to mail or deliver notice of any mid-term cancellation of the trucker employer's policy to the trucker employer recipient of the certificate of insurance, then the special compensation fund shall indemnify and hold harmless the recipient from any award of benefits or other damages under this chapter resulting from the failure to give notice.

Presented to the governor April 24, 1990

Signed by the governor April 26, 1990, 11:28 p.m.

CHAPTER 523—H.F.No. 2343

An act relating to insurance; accident and health; providing for the classification and disclosure of certain comprehensive health insurance data; regulating the Minnesota comprehensive health insurance plan; requiring insurers to provide written materials on the Minne-

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sota comprehensive health insurance plan; amending Minnesota Statutes 1988, sections 13.71, by adding a subdivision; 62E.10, subdivision 9; 62E.14, by adding subdivisions; and 62E.15, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62E.

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

Section 1. Minnesota Statutes 1988, section 13.71, is amended by adding a subdivision to read:

Subd. 6. COMPREHENSIVE HEALTH INSURANCE DATA. The following data on eligible persons and enrollees of the state comprehensive health insurance plan are classified as private: all data collected or maintained by the Minnesota comprehensive health association, the writing carrier, and the department of commerce.

The Minnesota comprehensive health association is considered a state agency for purposes of chapter 13.

The Minnesota comprehensive health association may disclose data on eligible persons and enrollees of the state comprehensive health insurance plan to conduct actuarial and research studies, notwithstanding the classification of this data, if:

- (1) the board authorizes the disclosure;
- (2) no individual may be identified in the actuarial or research report;
- (3) materials allowing an individual to be identified are returned or destroyed as soon as they are no longer needed; and
- (4) the actuarial or research organization agrees not to disclose the information unless the disclosure would be permitted under this chapter if made by the association.

Sec. 2. Minnesota Statutes 1988, section 62E.10, subdivision 9, is amended to read:

Subd. 9. **EXPERIMENTAL DELIVERY METHOD.** The association may petition the commissioner of commerce for a waiver to allow the experimental use of alternative means of health care delivery. The commissioner may approve the use of the alternative means the commissioner considers appropriate. The commissioner may waive any of the requirements of this chapter and chapters 60A, 62A, and 62D in granting the waiver. The commissioner may also grant to the association any additional powers as are necessary to facilitate the specific waiver, including the power to implement a provider payment schedule.

This subdivision is effective until August 1, ~~1990~~ 1991.

~~The commissioner of commerce in consultation with the governor's com-~~

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mission on health plan regulatory reform shall study and report to the legislature by January 15, 1989, on the current means utilized to finance the annual operating deficits incurred under the association. In conducting the study, the commissioner shall analyze any negative financial impacts which the current deficits are having on the contributing members of the association and recommend alternative sources of funding or other approaches which could be utilized to finance the operating deficit. The study shall also address the current association funding inequities between employers which self-insure for employee health benefit coverage and those employers which have health coverage subject to state regulation.

Sec. 3. Minnesota Statutes 1988, section 62E.14, is amended by adding a subdivision to read:

Subd. 4a. WAIVER OF PREEXISTING CONDITIONS FOR MINNESOTA RESIDENTS. A person may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation described in subdivision 3, provided that the following requirements are met:

(1) the person is a Minnesota resident eligible to enroll in the comprehensive health plan;

(2) the person:

(a) would be eligible for continuation under federal or state law if continuation coverage were available or were required to be available;

(b) would be eligible for continuation under clause (a) except that the person was exercising continuation rights and the continuation period required under federal or state law has expired; or

(c) is eligible for continuation of health coverage under federal or state law;

(3) continuation coverage is not available; and

(4) the person applies for coverage within 90 days of termination of prior coverage from a policy or plan.

Coverage in the comprehensive health plan is effective on the date of termination of prior coverage. The availability of conversion rights does not affect a person's rights under this subdivision.

Sec. 4. Minnesota Statutes 1988, section 62E.14, is amended by adding a subdivision to read:

Subd. 4b. WAIVER OF PREEXISTING CONDITIONS FOR PERSONS COVERED BY RETIREE PLANS. A person who was covered by a retiree health care plan may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation described in subdivision 3, provided that the following requirements are met:

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(1) the person is a Minnesota resident eligible to enroll in the comprehensive health plan;

(2) the person was covered by a retiree health care plan from an employer and the coverage is no longer available to the person; and

(3) the person applies for coverage within 90 days of termination of prior coverage.

Coverage in the comprehensive health plan is effective on the date of termination of prior coverage. The availability of conversion rights does not affect a person's rights under this section.

Sec. 5. [62E.14] [Subd. 3a.] WAIVER OF PREEXISTING CONDITION.

A person may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation described in Minnesota Statutes, section 62E.14, subdivision 3, provided that the person meets the following requirements:

(1) group coverage was provided through a rehabilitation facility defined in Minnesota Statutes, section 129A.01, subdivision 6, and coverage was terminated;

(2) all other eligibility requirements for enrollment in the comprehensive health plan are met; and

(3) coverage is applied for within 90 days of termination of previous coverage.

Sec. 6. Minnesota Statutes 1988, section 62E.15, subdivision 4, is amended to read:

Subd. 4. Every insurer which rejects or applies underwriting restrictions to an applicant for accident and health insurance shall: (1) provide the applicant with a written notice of rejection or the underwriting restrictions applied to the applicant in a manner consistent with the requirements in section 72A.499; (2) notify the applicant of the existence of the state plan, the requirements for being accepted in it, and the procedure for applying to it; and (3) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer at no charge.

Sec. 7. [62E.19] PAYMENTS FOR PREEXISTING CONDITIONS.

Subdivision 1. EMPLOYER LIABILITY. An employer is liable to the association for the costs of any preexisting conditions of the employer's former employees or their dependents during the first six months of coverage under the state comprehensive health insurance plan under the following conditions:

(1) the employer has terminated or laid off employees and is required to meet the notice requirements under section 268.976, subdivision 3;

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(2) the employer has failed to provide, arrange for, or make available continuation health insurance coverage required to be provided under federal or state law to employees or their dependents; and

(3) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5; or

(4) the employer has terminated or allowed the employer's plan of health insurance coverage to lapse within 90 days prior to the date of termination or layoff of an employee; and

(5) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5.

The employer shall pay a special assessment to the association for the costs of the preexisting conditions. The special assessment may be assessed before the association makes the annual determination of each contributing member's liability as required under this chapter. The association may enforce the obligation to pay the special assessment by action, as a claim in an insolvency proceeding, or by any other method not prohibited by law.

If the association makes the special assessment permitted by this subdivision, the association may also make any assessment of contributing members otherwise permitted by law, without regard to the special assessment permitted by this subdivision. Contributing members must pay the assessment, subject to refund or adjustment, in the event of receipt by the association of any portion of the special assessment.

Subd. 2. EXEMPTION. Subdivision 1 does not apply to a termination of or failure to implement an employee health benefit plan which results from or occurs during a strike or lockout, nor does it apply to employee health benefit plans separately provided by an employee organization or bargaining agent, regardless of any financial contribution to the plan by the employer.

Sec. 8. EFFECTIVE DATE.

Sections 3, 4, and 7 are effective retroactively to March 1, 1990. Sections 1, 2, and 5 are effective the day following final enactment. The 90-day requirement in sections 3 and 4 does not apply to terminations of coverage occurring after March 1, if application to or enrollment in the comprehensive health plan occurs within 90 days after final enactment.

Presented to the governor April 24, 1990

Signed by the governor April 26, 1990, 9:55 p.m.

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