

by Laws 1967, chapter 661, section 3, as amended by Laws 1974, chapter 366, section 1, and Laws 1978, chapter 559, section 1, is amended to read:

Subd. 1a. **SPECIAL SCHOOL DISTRICT NO. 1, MINNEAPOLIS; BOARD OF DIRECTORS; TERMS OF OFFICE.** (a) The board of education of such district shall consist of seven directors, each of whom shall be elected at large for a term of six years, or until his successor has been elected and qualified, provided that the term of office of each director elected after the effective date of this act shall be four years or until a successor is elected and qualified. The directors shall receive such compensation as may be fixed by the board of education.

(b) The governing body of special school district No. 1 may provide for election of four of its directors in 1994 and subsequent years for four-year terms, and election of three of its directors in 1996 and subsequent years for four-year terms. To accomplish this change, the governing body may provide that the terms of office for directors elected in 1991 will expire January 1, 1995, and that the terms of office for directors to be elected in 1993 will expire January 1, 1997.

Sec. 2. REFERENDUM.

A proposed change in election years adopted under section 1 is effective 240 days after passage and publication or at a later date fixed in the proposal. Within 180 days after passage and publication of the proposal, a petition requesting a referendum on the proposal may be filed with the school district clerk. The petition must be signed by eligible voters equal in number to five percent of the total number of votes cast in the city of Minneapolis at the most recent state general election. If the requisite petition is filed within the prescribed period, the proposal does not become effective until it is approved by a majority of the voters voting on the question at a general or special election held at least 60 days after submission of the petition. If the petition is filed, the governing body may reconsider its action in adopting the proposal.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment.

Presented to the governor March 30, 1992

Signed by the governor March 31, 1992, 6:00 p.m.

CHAPTER 379—S.F.No. 1689

An act relating to insurance; property and casualty; regulating certain terminations and modifications or changes to certain agent agreements; modifying the definition of loss ratio experience; modifying membership in the board of review; amending Minnesota Statutes 1990, sections 60A.172; and 60A.177, subdivision 3.

New language is indicated by underline, deletions by ~~strikeout~~.

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

Section 1. Minnesota Statutes 1990, section 60A.172, is amended to read:

60A.172 INSURANCE AGENCY CONTRACTS; CANCELLATION.

(a) An insurer may not cancel a written agreement with an agent or reduce or restrict an agent's underwriting authority with respect to property or casualty insurance, based solely on the loss ratio experience on that agent's book of business, if: the insurer required the agent to submit the application for underwriting approval, all material information on the application was fully completed, and the agent has not omitted or altered any information provided by the applicant.

(b) For purposes of this section, "loss ratio experience" means the ratio of premiums claims paid divided by the claims premiums paid during the previous two-year period.

(c) This section applies only to agents who write 80 percent or more of their gross annual insurance business for one company or any or all of its subsidiaries, and are not in the direct employ of the company.

Sec. 2. Minnesota Statutes 1990, section 60A.177, subdivision 3, is amended to read:

Subd. 3. **BOARD OF REVIEW.** A three-member board of review shall be selected from a list of ten agents and ten insurer representatives compiled by the commissioner. One member shall be selected by the agent, and one by the insurer, and one by the commissioner. The third member shall be mutually agreed upon by both parties. If the parties do not agree upon a third member, the commissioner shall request the American Arbitration Association to provide the commissioner with three names of potential members. If the American Arbitration Association declines to provide the names, the commissioner of the bureau of mediation services shall provide the names. The agent member and the insurer member shall each strike one person from the list. The remaining person shall be selected as the third member of the review board. The insurer and the agent shall each pay one-half of the fee charged by the third member. The board member selected by the agent may not be a relative of the agent. The board members selected by the agent and insurer may not be presently or formerly associated with an insurer represented by the agent. An insurer is immune from civil liability to the agent for disclosures made at the hearing. This immunity does not extend to disclosures made in bad faith or with knowledge of their falseness.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

Presented to the governor March 30, 1992

Signed by the governor April 1, 1992, 4:50 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.