

CHAPTER 253—H.F.No. 673

An act relating to insurance; regulating risk-based capital for insurers; enacting the model act of the National Association of Insurance Commissioners; amending Minnesota Statutes 1994, section 13.71, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Section 1. Minnesota Statutes 1994, section 13.71, is amended by adding a subdivision to read:

Subd. 20. RISK-BASED CAPITAL DATA. Risk-based capital reports and related reports, data, and orders maintained by the commissioner of commerce are classified under section 60A.67.

Sec. 2. **[60A.60] DEFINITIONS.**

Subdivision 1. SCOPE. For the purposes of sections 60A.60 to 60A.696, the terms defined in this section have the meanings given them.

Subd. 2. ADJUSTED RISK-BASED CAPITAL REPORT. "Adjusted risk-based capital report" means a risk-based capital report that has been adjusted by the commissioner according to section 60A.61, subdivision 5.

Subd. 3. CORRECTIVE ORDER. "Corrective order" means an order issued by the commissioner specifying corrective actions that the commissioner has determined are required.

Subd. 4. DOMESTIC INSURER. "Domestic insurer" means an insurance company incorporated or organized in this state.

Subd. 5. FOREIGN INSURER. "Foreign insurer" means an insurance company that is admitted to do business in this state under section 60A.19 but is not incorporated or organized in this state.

Subd. 6. NAIC. "NAIC" means the National Association of Insurance Commissioners.

Subd. 7. LIFE AND/OR HEALTH INSURER. "Life and/or health insurer" means an insurance company authorized to transact business under section 60A.06, subdivision 1, clause (4), or a property and casualty insurer transacting business only under section 60A.06, subdivision 1, clause (5)(a).

Subd. 8. PROPERTY AND CASUALTY INSURER. "Property and casualty insurer" means an insurance company authorized to transact business under section 60A.06, subdivision 1, clauses (1), (2), (3), (5), (6), (8), (9), (10), (11), (12), (13), (14), and (15), but does not include monoline mortgage guaranty insurers, and financial guaranty insurers.

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Subd. 9. NEGATIVE TREND. "Negative trend" means, with respect to a life and/or health insurer, negative trend over a period of time, as determined according to the "trend test calculation" included in the risk-based capital instructions.

Subd. 10. RISK-BASED CAPITAL INSTRUCTIONS. "Risk-based instructions" means the risk-based capital report including risk-based capital instructions adopted by the NAIC, as those risk-based instructions may be amended by the NAIC from time to time according to the procedures adopted by the NAIC.

Subd. 11. RISK-BASED CAPITAL LEVEL. "Risk-based capital level" means an insurer's company action level risk-based capital, regulatory action level risk-based capital, authorized control level risk-based capital, or mandatory control level risk-based capital where:

(1) "company action level risk-based capital" means, with respect to an insurer, the product of 2.0 and its authorized control level risk-based capital;

(2) "regulatory action level risk-based capital" means the product of 1.5 and its authorized control level risk-based capital;

(3) "authorized control level risk-based capital" means the number determined under the risk-based capital formula according to the risk-based capital instructions;

(4) "mandatory control level risk-based capital" means the product of .70 and the authorized control level risk-based capital.

Subd. 12. RISK-BASED CAPITAL PLAN. "Risk-based capital plan" means a comprehensive financial plan containing the elements specified in section 60A.62, subdivision 2. If the commissioner rejects the risk-based capital plan, and it is revised by the insurer, with or without the commissioner's recommendation, the plan must be called the "revised risk-based capital plan."

Subd. 13. RISK-BASED CAPITAL REPORT. "Risk-based capital report" means the report required in section 60A.61.

Subd. 14. TOTAL ADJUSTED CAPITAL. "Total adjusted capital" means the sum of:

(1) an insurer's statutory capital and surplus as determined in accordance with statutory accounting applicable to the annual statement required to be filed under section 60A.13; and

(2) other items, if any, as the risk-based capital instructions may provide.

Sec. 3. [60A.61] RISK-BASED CAPITAL REPORTS.

Subdivision 1. GENERAL REQUIREMENTS. Every domestic insurer

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shall, on or before each March 1, prepare and submit to the commissioner a report of its risk-based capital levels as of the end of the calendar year just ended, in a form and containing the information required by the risk-based capital instructions. In addition, every domestic insurer shall file its risk-based capital report:

(1) with the NAIC according to the risk-based capital instructions; and

(2) with the insurance commissioner in a state in which the insurer is authorized to do business, if the insurance commissioner has notified the insurer of its request in writing, in which case the insurer shall file its risk-based capital report not later than the later of:

(i) 15 days from the receipt of notice to file its risk-based capital report with that state; or

(ii) March 1.

Subd. 2. LIFE AND/OR HEALTH INSURERS. A life and/or health insurer's risk-based capital must be determined according to the formula set forth in the risk-based capital instructions. The formula must take into account, and may adjust for the covariance between:

(1) the risk with respect to the insurer's assets;

(2) the risk of adverse insurance experience with respect to the insurer's liabilities and obligations;

(3) the interest rate risk with respect to the insurer's business; and

(4) all other business risks and other relevant risks set forth in the risk-based capital instructions;

determined in each case by applying the factors in the manner set forth in the risk-based capital instructions.

Subd. 3. PROPERTY AND CASUALTY INSURERS. A property and casualty insurer's risk-based capital must be determined according to the formula set forth in the risk-based capital instructions. The formula must take into account, and may adjust for the covariance between:

(1) asset risk;

(2) credit risk;

(3) underwriting risk; and

(4) all other business risks and other relevant risks set forth in the risk-based capital instructions;

determined in each case by applying the factors in the manner set forth in the risk-based capital instructions.

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Subd. 4. MAINTAINING ADDITIONAL CAPITAL. An excess of capital over the amount produced by the risk-based capital requirements contained in sections 60A.60 to 60A.696 and the formulas, schedules, and instructions referenced in sections 60A.60 to 60A.696 is desirable in the business of insurance. Accordingly, insurers should seek to maintain capital above the risk-based capital levels required by sections 60A.60 to 60A.696. Additional capital is used and useful in the insurance business and helps to secure an insurer against various risks inherent in, or affecting, the business of insurance and not accounted for or only partially measured by the risk-based capital requirements contained in sections 60A.60 to 60A.696.

Subd. 5. ADJUSTED RISK-BASED CAPITAL REPORT. If a domestic insurer files a risk-based capital report that in the judgment of the commissioner is inaccurate, then the commissioner shall adjust the risk-based capital report to correct the inaccuracy and shall notify the insurer of the adjustment. The notice must contain a statement of the reason for the adjustment. A risk-based capital report as so adjusted is referred to as an "adjusted risk-based capital report."

Sec. 4. [60A.62] COMPANY ACTION LEVEL EVENT.

Subdivision 1. DEFINITION. "Company action level event" means any of the following events:

(1) the filing of a risk-based capital report by an insurer which indicates that:

(i) the insurer's total adjusted capital is greater than or equal to its regulatory action level risk-based capital but less than its company action level risk-based capital; or

(ii) if a life and/or health insurer, the insurer has total adjusted capital that is greater than or equal to its company action level risk-based capital but less than the product of its authorized control level risk-based capital and 2.5 and has a negative trend;

(2) the notification by the commissioner to the insurer of an adjusted risk-based capital report that indicates an event in clause (1), provided the insurer does not challenge the adjusted risk-based report under section 60A.66; or

(3) if, pursuant to section 60A.66, an insurer challenges an adjusted risk-based capital report that indicates the event in clause (1), the notification by the commissioner to the insurer that the commissioner has, after a hearing, rejected the insurer's challenge.

Subd. 2. PLAN. In the event of a company action level event, the insurer shall prepare and submit to the commissioner a risk-based capital plan that:

(1) identifies the conditions that contribute to the company action level event;

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(2) contains proposals of corrective actions that the insurer intends to take and would be expected to result in the elimination of the company action level event;

(3) provides projections of the insurer's financial results in the current year and at least the four succeeding years, both in the absence of proposed corrective actions and giving effect to the proposed corrective actions, including projected statutory balance sheets, income statements, and cash flow statements. The projections for both new and renewal business might include separate projections for each major line of business and separately identify each significant income, expense, and benefit component;

(4) identifies the key assumptions impacting the insurer's projections and the sensitivity of the projections to the assumptions; and

(5) identifies the quality of, and problems associated with, the insurer's business, including, but not limited to, its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business, and use of reinsurance, if any, in each case.

Subd. 3. SUBMISSION. The risk-based capital plan must be submitted:

(1) within 45 days of the company action level event; or

(2) if the insurer challenges an adjusted risk-based capital report pursuant to section 60A.66, within 45 days after notification to the insurer that the commissioner has, after a hearing, rejected the insurer's challenge.

Subd. 4. NOTIFICATION BY COMMISSIONER. Within 60 days after the submission by an insurer of a risk-based capital plan to the commissioner, the commissioner shall notify the insurer whether the risk-based capital plan must be implemented or is, in the judgment of the commissioner, unsatisfactory. If the commissioner determines the risk-based capital plan is unsatisfactory, the notification to the insurer must set forth the reasons for the determination, and may set forth proposed revisions that will render the risk-based capital plan satisfactory, in the judgment of the commissioner. Upon notification from the commissioner, the insurer shall prepare a revised risk-based capital plan, that may incorporate by reference any revisions proposed by the commissioner, and shall submit the revised risk-based capital plan to the commissioner:

(1) within 45 days after the notification from the commissioner; or

(2) if the insurer challenges the notification from the commissioner under section 60A.66, within 45 days after a notification to the insurer that the commissioner has, after a hearing, rejected the insurer's challenge.

Subd. 5. UNSATISFACTORY PLAN. In the event of a notification by the commissioner to an insurer that the insurer's risk-based capital plan or revised risk-based capital plan is unsatisfactory, the commissioner may at the commissioner's discretion, subject to the insurer's right to a hearing under section

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60A.66, specify in the notification that the notification constitutes a regulatory action level event.

Subd. 6. FILINGS TO OTHER STATES. Every domestic insurer that files a risk-based capital plan or revised risk-based capital plan with the commissioner shall file a copy of the risk-based capital plan or revised risk-based capital plan with the insurance commissioner in any state in which the insurer is authorized to do business if:

(1) the state has a risk-based capital provision substantially similar to section 60A.67, subdivision 1; and

(2) the insurance commissioner of that state has notified the insurer of its request for the filing in writing, in which case the insurer shall file a copy of the risk-based capital plan or revised risk-based capital plan in that state no later than the later of:

(i) 15 days after the receipt of notice to file a copy of its risk-based capital plan or revised risk-based plan with the state; or

(ii) the date on which the risk-based capital plan or revised risk-based capital plan is filed under section 60A.62, subdivisions 3 and 4.

Sec. 5. [60A.63] REGULATORY ACTION LEVEL EVENT.

Subdivision 1. DEFINITION. "Regulatory action level event" means, with respect to an insurer, any of the following events:

(1) the filing of a risk-based capital report by the insurer that indicates that the insurer's total adjusted capital is greater than or equal to its authorized control level risk-based capital but less than its regulatory action level risk-based capital;

(2) the notification by the commissioner to an insurer of an adjusted risk-based capital report that indicates the event in clause (1), provided the insurer does not challenge the adjusted risk-based capital report under section 60A.66;

(3) if, pursuant to section 60A.66, the insurer challenges an adjusted risk-based capital report that indicates the event in clause (1), the notification by the commissioner to the insurer that the commissioner has, after a hearing, rejected the insurer's challenge;

(4) the failure of the insurer to file a risk-based capital report by March 1, unless the insurer has provided an explanation for the failure that is satisfactory to the commissioner and has cured the failure within ten days after March 1;

(5) the failure of the insurer to submit a risk-based capital plan to the commissioner within the time period set forth in section 60A.62, subdivision 3;

(6) notification by the commissioner to the insurer that:

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(i) the risk-based capital plan or revised risk-based capital plan submitted by the insurer is, in the judgment of the commissioner, unsatisfactory; and

(ii) the notification constitutes a regulatory action level event with respect to the insurer, provided the insurer has not challenged the determination under section 60A.66;

(7) if, pursuant to section 60A.66, the insurer challenges a determination by the commissioner under clause (6), the notification by the commissioner to the insurer that the commissioner has, after a hearing, rejected the challenge;

(8) notification by the commissioner to the insurer that the insurer has failed to adhere to its risk-based capital plan or revised risk-based capital plan, but only if the failure has a substantial adverse effect on the ability of the insurer to eliminate the company action level event according to its risk-based capital plan or revised risk-based capital plan and the commissioner has so stated in the notification, provided the insurer has not challenged the determination under section 60A.66; or

(9) if, pursuant to section 60A.66, the insurer challenges a determination by the commissioner under clause (8), the notification by the commissioner to the insurer that the commissioner has, after a hearing, rejected the challenge.

Subd. 2. COMMISSIONER'S DUTIES. In the event of a regulatory action level event, the commissioner shall:

(1) require the insurer to prepare and submit a risk-based capital plan, or, if applicable, a revised risk-based capital plan;

(2) examine or analyze as the commissioner considers necessary the assets, liabilities, and operations of the insurer including reviewing its risk-based capital plan or revised risk-based capital plan; and

(3) subsequent to the examination or analysis, issue a corrective order specifying the corrective actions the commissioner determines are required.

Subd. 3. CORRECTIVE ACTION. In determining corrective actions, the commissioner may take into account factors considered relevant with respect to the insurer based upon the commissioner's examination or analysis of the assets, liabilities and operations of the insurer, including, but not limited to, the results of any sensitivity tests undertaken pursuant to the risk-based capital instructions. The risk-based capital plan or revised risk-based capital plan must be submitted:

(1) within 45 days after the occurrence of the regulatory action level event;

(2) if the insurer challenges an adjusted risk-based capital report pursuant to section 60A.66 and the challenge is not frivolous in the judgment of the commissioner, within 45 days after the notification to the insurer that the commissioner has, after a hearing, rejected the insurer's challenge; or

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(3) if the insurer challenges a revised risk-based capital plan pursuant to section 60A.66 and the challenge is not frivolous in the judgment of the commissioner, within 45 days after the notification to the insurer that the commissioner has, after a hearing, rejected the insurer's challenge.

Subd. 4. EXAMINATION AND REVIEW. The commissioner may retain actuaries and investment experts and other consultants as may be necessary in the judgment of the commissioner to review the insurer's risk-based capital plan or revised risk-based capital plan, examine or analyze the assets, liabilities, and operations of the insurer and formulate the corrective order with respect to the insurer. The fees, costs, and expenses relating to consultants shall be borne by the affected insurer or other party as directed by the commissioner.

Sec. 6. **[60A.64] AUTHORIZED CONTROL LEVEL EVENT.**

Subdivision 1. DEFINITION. "Authorized control level event" means any of the following events:

(1) the filing of a risk-based capital report by the insurer that indicates that the insurer's total adjusted capital is greater than or equal to its mandatory control level risk-based capital but less than its authorized control level risk-based capital;

(2) the notification by the commissioner to the insurer of an adjusted risk-based capital report that indicates the event in clause (1), provided the insurer does not challenge the adjusted risk-based capital report under section 60A.66;

(3) if, pursuant to section 60A.66, the insurer challenges an adjusted risk-based capital report that indicates the event in clause (1), notification by the commissioner to the insurer that the commissioner has, after a hearing, rejected the insurer's challenge;

(4) the failure of the insurer to respond, in a manner satisfactory to the commissioner, to a corrective order, provided the insurer has not challenged the corrective order under section 60A.66; or

(5) if the insurer has challenged a corrective order under section 60A.66 and the commissioner has, after a hearing, rejected the challenge or modified the corrective order, the failure of the insurer to respond, in a manner satisfactory to the commissioner, to the corrective order subsequent to rejection or modification by the commissioner.

Subd. 2. COMMISSIONER'S DUTIES. In the event of an authorized control level event with respect to an insurer, the commissioner shall:

(1) take the actions required under section 60A.63 regarding an insurer with respect to which a regulatory action level event has occurred; or

(2) if the commissioner considers it to be in the best interests of the policyholders and creditors of the insurer and of the public, take the actions necessary

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to cause the insurer to be placed under regulatory control under chapter 60B. In the event the commissioner takes these actions, the authorized control level event is considered sufficient grounds for the commissioner to take action under chapter 60B, and the commissioner has the rights, powers, and duties with respect to the insurer set forth in chapter 60B. In the event the commissioner takes actions under this clause pursuant to an adjusted risk-based capital report, the insurer is entitled to the protections afforded to insurers under section 60B.11 pertaining to summary proceedings.

Sec. 7. **[60A.65] MANDATORY CONTROL LEVEL EVENT.**

Subdivision 1. DEFINITION. "Mandatory control level event" means any of the following events:

(1) the filing of a risk-based capital report that indicates that the insurer's total adjusted capital is less than its mandatory control level risk-based capital;

(2) notification by the commissioner to the insurer of an adjusted risk-based capital report that indicates the event in clause (1), provided the insurer does not challenge the adjusted risk-based capital report under section 60A.66; or

(3) if, pursuant to section 60A.66, the insurer challenges an adjusted risk-based capital report that indicates the event in clause (1), notification by the commissioner to the insurer that the commissioner has, after a hearing, rejected the insurer's challenge.

Subd. 2. COMMISSIONER'S DUTIES. In the event of a mandatory control level event:

(1) with respect to a life and/or health insurer, the commissioner shall take the actions necessary to place the insurer under regulatory control under chapter 60B. In that event, the mandatory control level event is considered sufficient grounds for the commissioner to take action under chapter 60B, and the commissioner has the rights, powers, and duties with respect to the insurer set forth in chapter 60B. If the commissioner takes actions pursuant to an adjusted risk-based capital report, the insurer is entitled to the protections of section 60B.11 pertaining to summary proceedings. However, the commissioner may forego action for up to 90 days after the mandatory control level event if the commissioner finds there is a reasonable expectation that the mandatory control level event may be eliminated within the 90-day period; and

(2) with respect to a property and casualty insurer, the commissioner shall take the actions necessary to place the insurer under regulatory control under chapter 60B, or, in the case of an insurer that is writing no business and that is running off its existing business, may allow the insurer to continue its run-off under the supervision of the commissioner. In either event, the mandatory control level event is sufficient grounds for the commissioner to take action under chapter 60B, and the commissioner has the rights, powers, and duties with respect to the insurer set forth in chapter 60B. If the commissioner takes actions

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pursuant to an adjusted risk-based capital report, the insurer is entitled to the protections of section 60B.11 pertaining to summary proceedings. However, the commissioner may forego action for up to 90 days after the mandatory control level event if the commissioner finds there is a reasonable expectation that the mandatory control level event may be eliminated within the 90-day period.

Sec. 8. [60A.66] HEARINGS.

Upon:

(1) notification to an insurer by the commissioner of an adjusted risk-based report;

(2) notification to an insurer by the commissioner that:

(i) the insurer's risk-based capital plan or revised risk-based capital plan is unsatisfactory; and

(ii) the notification constitutes a regulatory action level event with respect to the insurer;

(3) notification to an insurer by the commissioner that the insurer has failed to adhere to its risk-based capital plan or revised risk-based capital plan and that the failure has substantial adverse effect on the ability of the insurer to eliminate the company action level event with respect to the insurer according to its risk-based capital plan or revised risk-based capital plan; or

(4) notification to an insurer by the commissioner of a corrective order with respect to the insurer.

the insurer has the right to a confidential hearing conducted in accordance with chapter 14, on a record, at which the insurer may challenge any determination or action by the commissioner. The insurer shall notify the commissioner of its request for a hearing within five days after the notification by the commissioner under clause (1), (2), (3), or (4). Upon receipt of the insurer's request for a hearing, the commissioner shall set a date for the hearing no less than ten nor more than 30 days after the date of the insurer's request.

Sec. 9. [60A.67] CONFIDENTIALITY.

Subdivision 1. GENERALLY. All risk-based capital reports, to the extent the information in them is not required to be set forth in a publicly available annual statement schedule, and risk-based capital plans, including the results or report of an examination or analysis of an insurer performed pursuant to sections 60A.60 to 60A.696, and any corrective order issued by the commissioner pursuant to an examination or analysis, with respect to a domestic insurer or foreign insurer that are filed with the commissioner constitute information that might be damaging to the insurer if made available to its competitors, and shall be maintained by the commissioner as nonpublic data as defined in section 13.02, subdivision 9. This information is not subject to subpoena, other than by

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the commissioner and then only for the purpose of enforcement actions taken by the commissioner pursuant to sections 60A.60 to 60A.696 or other provision of the insurance laws of this state.

Subd. 2. PROHIBITION ON ANNOUNCEMENTS. The comparison of an insurer's total adjusted capital to any of its risk-based capital levels is a regulatory tool that may indicate the need for possible corrective action with respect to the insurer and is not intended as a means to rank insurers generally. Except as otherwise required under sections 60A.60 to 60A.696, the making, publishing, dissemination, circulating, or placing before the public, or causing, directly or indirectly to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement containing an assertion, representation, or statement with regard to the risk-based capital levels of an insurer, or of any component derived in the calculation, by an insurer, agent, broker, or other person engaged in any manner in the insurance business would be misleading and is prohibited. However, if a materially false statement with respect to the comparison regarding an insurer's total adjusted capital to its risk-based capital levels, or any of them, or an inappropriate comparison of any other amount to the insurer's risk-based capital levels is published in a written publication and the insurer is able to demonstrate to the commissioner with substantial proof the falsity of the statement, or the inappropriateness, as the case may be, then the insurer may publish an announcement in a written publication if the sole purpose of the announcement is to rebut the materially false statement.

Subd. 3. PROHIBITION ON USE IN RATEMAKING. The risk-based capital instructions, risk-based capital reports, adjusted risk-based capital reports, risk-based capital plans, and revised risk-based capital plans are intended solely for use by the commissioner in monitoring the solvency of insurers and the need for possible corrective action with respect to insurers. This information shall not be used by the commissioner for ratemaking nor considered or introduced as evidence in a rate proceeding nor used by the commissioner to calculate or derive any elements of an appropriate premium level or rate of return for a line of insurance that an insurer or an affiliate is authorized to write.

Sec. 10. [60A.68] SUPPLEMENTAL PROVISIONS; RULES; EXEMPTION.

(a) Sections 60A.60 to 60A.696 are supplemental to other laws of this state and do not preclude or limit other powers or duties of the commissioner under those laws, including, but not limited to, chapters 60B and 60G.

(b) The commissioner may exempt from the application of sections 60A.60 to 60A.696 a domestic property and casualty insurer that:

- (1) writes direct business only in this state;

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(2) writes direct annual premiums of \$2,000,000 or less; and

(3) assumes no reinsurance in excess of five percent of direct premium written.

Sec. 11. [60A.69] FOREIGN INSURERS.

Subdivision 1. REPORTING REQUIREMENTS. A foreign insurer shall, upon the written request of the commissioner, submit to the commissioner a risk-based capital report as of the end of the calendar year just ended not later than the later of:

(1) the date a risk-based capital report would be required to be filed by a domestic insurer under sections 60A.60 to 60A.696; or

(2) fifteen days after the request is received by the foreign insurer.

A foreign insurer shall, at the written request of the commissioner, promptly submit to the commissioner copies of all risk-based capital plans that are filed by the insurer with the insurance commissioners of other states.

Subd. 2. A RISK-BASED CAPITAL PLAN REQUIREMENT. In the event of a company action level event, regulatory action level event, or authorized control level event with respect to a foreign insurer as determined under the risk-based capital statute applicable in the state of domicile of the insurer, or, if no risk-based capital statute is in force in that state, under sections 60A.60 to 60A.696, if the insurance commissioner of the state of domicile of the foreign insurer fails to require the foreign insurer to file a risk-based capital plan in the manner specified under that state's risk-based capital statute, or, if no risk-based capital statute is in force in that state, under section 60A.62, the commissioner may require the foreign insurer to file a risk-based capital plan with the commissioner. In this event, the failure of the foreign insurer to file a risk-based capital plan with the commissioner shall be grounds to order the insurer to cease and desist from writing new insurance business in this state. This section does not limit the commissioner's authority to require a foreign insurer to file a copy of the risk-based capital plan submitted to the commissioner in the state of domicile.

Subd. 3. LIQUIDATION OF PROPERTY. In the event of a mandatory control level event with respect to a foreign insurer, if no domiciliary receiver has been appointed with respect to the foreign insurer under the rehabilitation and liquidation statute applicable in the state of domicile of the foreign insurer, the commissioner may make application to the district court permitted under chapter 60B with respect to the liquidation of property of foreign insurers found in this state, and the occurrence of the mandatory control level event is adequate grounds for the application.

Sec. 12. [60A.695] IMMUNITY.

There is no liability on the part of, and no cause of action arises against, the

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commissioner or the commerce department or its employees or agents for an action taken by them in the performance of their powers and duties under sections 60A.60 to 60A.696.

Sec. 13. [60A.696] NOTICES.

All notices by the commissioner to an insurer that may result in regulatory action under sections 60A.60 to 60A.696 are effective upon dispatch if transmitted by registered or certified mail, or in the case of other transmission is effective upon the insurer's receipt of the notice.

Sec. 14. EFFECTIVE DATE.

This act is effective for annual statements filed after January 1, 1996.

Presented to the governor May 23, 1995

Signed by the governor May 25, 1995, 8:52 a.m.

CHAPTER 254—S.F.No. 1678

An act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1994, sections 3.85, subdivision 12; 3.9741, subdivision 2, as amended; 3C.02, by adding a subdivision; 7.09, subdivision 1; 8.16, by adding a subdivision; 15.061; 15.415; 15.50, subdivision 2; 15.91, subdivision 2; 16A.11, by adding a subdivision; 16A.127, subdivision 8; 16A.129, subdivision 3; 16A.28, subdivisions 5 and 6; 16A.40; 16A.57; 16A.72; 16B.06, by adding a subdivision; 16B.17; 16B.19, subdivisions 2 and 10; 16B.42, subdivision 3; 16B.59; 16B.60, subdivisions 1 and 4; 16B.61, subdivisions 1, 2, and 5; 16B.63, subdivision 3; 16B.65, subdivisions 1, 3, 4, and 7; 16B.67; 16B.70; 16B.75; 16B.88, subdivisions 1, 2, 3, and 4; 16D.02, subdivision 6, and by adding a subdivision; 16D.04, subdivisions 1 and 3; 16D.06; 16D.08, subdivision 2; 43A.27, subdivisions 2 and 3; 115C.02, by adding a subdivision; 115C.08, subdivisions 1, 2, and 4; 116G.15; 197.05; 240.155, subdivision 1; 240.24, subdivision 3; 240A.08; 240A.09; 240A.10; 349.151, subdivision 4b; 349A.02, subdivision 1; 349A.03, by adding a subdivision; 349A.04; 349A.05; 349A.06, subdivision 2; 349A.08, subdivisions 5 and 7; 349A.10, by adding a subdivision; 349A.11; 349A.12, subdivision 4; 352.15, subdivision 3; 366.10; 366.12; 366.16; 394.33, subdivision 2; 394.361, subdivision 3; 462.358, subdivisions 2a, 2b, and 9; 462.359, subdivision 4; and 491A.02, subdivision 4; Laws 1991, chapter 235, article 5, section 3; proposing coding for new law in Minnesota Statutes, chapters 3; 16A; 16B; 16D; and 43A; repealing Minnesota Statutes 1994, sections 115C.02, subdivision 1a; 349A.01, subdivision 2; and 349A.02, subdivision 8.

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

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