

tion shall adopt a suitable marking design that includes the words "Bradley Waage Memorial Bridge" and/or "aka 'Brainerd Brad'" to mark this bridge and shall erect the appropriate signs, subject to section 161.139.

Sec. 2. Minnesota Statutes 2004, section 161.14, is amended by adding a subdivision to read:

Subd. 52. VETERANS MEMORIAL BRIDGE. The interstate bridge on marked Trunk Highway 10 connecting the city of Moorhead with the city of Fargo, North Dakota, is named and designated as the Veterans Memorial Bridge. The commissioner of transportation shall adopt a suitable marking design to mark this bridge and erect appropriate signs, subject to section 161.139.

Presented to the governor May 20, 2005

Signed by the governor May 24, 2005, 1:23 p.m.

CHAPTER 74—H.F.No. 1669

An act relating to insurance; regulating certain fees, rate filings, policy renewals and alterations, insurance holding company systems, and insurance information reporting practices; amending Minnesota Statutes 2004, sections 60A.08, subdivision 3; 60A.14, subdivision 1; 60A.171, subdivisions 1, 2; 60A.351; 60K.46, subdivision 7; 61A.02, subdivision 2, by adding a subdivision; 72A.501, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 60A; 60D; repealing Minnesota Statutes 2004, section 60A.171, subdivision 4.

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

Section 1. Minnesota Statutes 2004, section 60A.08, subdivision 3, is amended to read:

Subd. 3. **RENEWAL; NEW POLICY.** Any insurance policy terminating by its provisions at a specified expiration date or limited as to term by any statute and not otherwise renewable may be renewed or extended at the option of the insurer, at the premium rate then required therefor, for a specific additional period or periods by a certificate, and without requiring the issuance of a new policy ~~more than once in any five-year period.~~ The insurer must also post the current policy form on its Web site, or must inform the policyholder annually in writing that a copy of the current policy form is available on request.

Sec. 2. Minnesota Statutes 2004, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. **FEES OTHER THAN EXAMINATION FEES.** In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

- (a) by township mutual fire insurance companies;

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

- (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;
- (2) for filing annual statements, \$15;
- (3) for each annual certificate of authority, \$15;
- (4) for filing bylaws \$25 and amendments thereto, \$10;
- (b) by other domestic and foreign companies including fraternal and reciprocal exchanges;
 - (1) for filing certified copy of certificate of articles of incorporation, \$100;
 - (2) for filing annual statement, \$225;
 - (3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
 - (4) for filing bylaws, \$75 or amendments thereto, \$75;
 - (5) for each company's certificate of authority, \$575, annually;
 - (c) the following general fees apply:
 - (1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;
 - (2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;
 - (3) for license to procure insurance in unadmitted foreign companies, \$575;
 - (4) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;
 - (5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;
 - (6) for each appointment of an agent filed with the commissioner, \$10;
 - (7) for filing forms and, rates, and compliance certifications under section 60A.315, \$75 per filing, which may be paid on a quarterly basis in response to an invoice. Billing and payment may be made electronically;
 - (8) for annual renewal of surplus lines insurer license, \$300;
 - (9) \$250 filing fee for a large risk alternative rating option plan that meets the \$250,000 threshold requirement.

The commissioner shall adopt rules to define filings that are subject to a fee.

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Sec. 3. [60A.315] EXPEDITED FORM AND RATE FILING.

Subdivision 1. AUTHORITY. An insurer or rate service organization otherwise required to file rates and forms may use the expedited filing procedure under this section for homeowner's insurance as defined in section 65A.27, subdivision 4, and automobile insurance as governed by chapter 65B.

Subd. 2. COMPLIANCE CERTIFICATIONS. An insurer or rate service organization shall file with the Department of Commerce on a prescribed form a description of the policy, amendment, or endorsement and a written certification signed by an officer of the insurer or the rate service organization that the forms, policies, amendments, and endorsements comply with all applicable Minnesota statutes, rules, and case law, and a copy of the policy, amendment, or endorsement. If the filing will impact rates, the filing must comply with section 70A.06, subdivisions 1 and 1a. Forms and rates filed under this procedure are effective upon receipt by the department. Anyone using the expedited filing procedures authorized by this section must provide copies of the form filings within 24 hours of receiving a request from the commissioner. Insurers may comply with this requirement by providing the form filings in paper or electronic format.

Subd. 3. APPLICATION OF LAW. If an insurer uses the services of a rate service organization for purposes of filing a certificate of compliance under this section, the certification by the rate service organization under subdivision 2 does not excuse the insurer from its obligation to ensure that its filing complies with all applicable Minnesota statutes, rules, and case law.

Subd. 4. FEES. In order to be effective, the filing must be accompanied by payment of the filing fee applicable to the policy, amendment, endorsement, or rate unless the fee is remitted in accordance with an alternative procedure allowed under section 60A.14.

Subd. 5. RECORD KEEPING. The insurer or rate service organization shall retain the policy, amendment, or endorsement for at least five years after that policy, amendment, or endorsement ceased providing coverage to any Minnesota policyholder, and shall provide to the Department of Commerce upon request a copy of any form in use pursuant to these filing procedures.

Subd. 6. AUDITS; PENALTIES. The commissioner is authorized to conduct audits and investigations under section 45.027 and this chapter to determine if the insurers are complying with Minnesota law in the issuance of policies described under this section. If the policy filings contain provisions that are inconsistent with or violate Minnesota law, the commissioner may take action against the insurer under section 45.027. The commissioner shall assess the insurer for the costs of the investigation performed by the department and shall deposit all such assessments into the revolving fund established under section 60A.03.

Sec. 4. Minnesota Statutes 2004, section 60A.171, subdivision 1, is amended to read:

Subdivision 1. **TERMINATION RIGHTS AND OBLIGATIONS.** (a) After an agency contractual relationship has been in effect for a period of three years, an

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insurance company writing fire or casualty loss insurance in this state may not terminate the agency contractual relationship with any appointed agent unless the company has attempted to rehabilitate the agent as provided in subdivision 4. The insurer shall provide written notice of intent to rehabilitate.

(b) If the agent and company are not able to reach a mutually acceptable plan of rehabilitation, the company may terminate the agency contractual relationship after providing provided written notice of termination to the agent at least ~~90~~ 60 days in advance of the effective date of the termination.

(e) (b) The notice of termination must include the reasons for termination and a copy of the notice of intent to rehabilitate.

(d) (c) An insurance company may not terminate an agency contract based upon any of the following:

(1) an adverse loss experience for a single year;

(2) the geographic location of the agent's auto and homeowners insurance business; or

(3) the performance of obligations required of an insurer under Minnesota Statutes.

(e) (d) For purposes of this section, "fire or casualty loss insurance" means any line of insurance which an insurance agent with a personal lines, property, or casualty license under sections 60K.30 to 60K.56 may write in this state.

Sec. 5. Minnesota Statutes 2004, section 60A.171, subdivision 2, is amended to read:

Subd. 2. **AGENT REQUEST TO RENEW INSURANCE CONTRACT.** The company shall at the request of the agent renew any insurance contract written by the agent for the company for not more than one year for fire or casualty loss insurance during a period of ~~nine~~ 18 months after the effective date of the termination, but in the event any risk does not meet current underwriting standards of the company, the company may decline its renewal, provided that the company shall give the agent not less than 60 days' notice of its intention not to renew the contract of insurance. The company shall not reduce the agent's commissions, unless the company is reducing the commissions for other appointed agents in the state at the same time.

Sec. 6. Minnesota Statutes 2004, section 60A.351, is amended to read:

60A.351 RENEWAL OF INSURANCE POLICY WITH ALTERED RATES.

If an insurance company licensed to do business in this state offers or purports to offer to renew any commercial liability and/or property insurance policy at less favorable terms as to the dollar amount of coverage or deductibles, higher rates, and/or higher rating plan, the new terms, the new rates and/or rating plan may take effect on the renewal date of the policy if the insurer has sent to the policyholder notice of the new terms, new rates and/or rating plan at least 60 days prior to the expiration date. If the insurer has not so notified the policyholder, the policyholder may elect to cancel the

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renewal policy within the 60-day period after receipt of the notice. Earned premium for the period of coverage, if any, shall be calculated pro rata upon the prior rate. This subdivision section does not apply to ocean marine insurance, accident and health insurance, and reinsurance, and coverage under the federal Terrorism Risk Insurance Act.

This section does not apply if the change relates to guide "a" rates or excess rates also known as "consent to rates" or if there has been any change in the risk insured.

Sec. 7. [60D.30] ELIGIBILITY DETERMINATION.

Section 302A.521, subdivision 3, applies to a corporation that is a member of an insurance holding company system, except if a determination for advancement is not made under section 302A.521, subdivision 6, clauses (1) to (4), the corporation that is a member of an insurance holding company system may make the determination that a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding upon receipt of a written affirmation as provided in section 302A.521, subdivision 3.

Sec. 8. Minnesota Statutes 2004, section 60K.46, subdivision 7, is amended to read:

Subd. 7. ALTERING EXISTING POLICIES; WRITTEN BINDERS REQUIRED. An insurance producer having express authority to bind coverage, who orally agrees on behalf of an insurer to provide insurance coverage, or to alter an existing insurance agreement, shall execute and deliver forward a written memorandum or binder containing the terms of the oral agreement to the insured within three five business days from the time the oral agreement is entered, unless the insurer forwards the information. The memorandum of coverage or binder may be forwarded by mail, facsimile, or electronically. The memorandum of coverage or binder must be forwarded by mail, unless the insured authorizes facsimile or electronic transmission of it. A memorandum of coverage or binder must be provided by the insurer to the policyholder upon request.

Sec. 9. Minnesota Statutes 2004, section 61A.02, subdivision 2, is amended to read:

Subd. 2. APPROVAL REQUIRED. Except as otherwise authorized pursuant to subdivision 2a, no policy or certificate of life insurance or annuity contract, issued to an individual, group, or multiple employer trust, nor any rider of any kind or description which is made a part thereof shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, until the form of the same has been approved by the commissioner. In making a determination under this section, the commissioner may require the insurer to provide rates and advertising materials related to policies or contracts, certificates, or similar evidence of coverage issued or delivered in this state.

Subdivisions 1 to 5 apply to a policy, certificate of insurance, or similar evidence of coverage issued to a Minnesota resident or issued to provide coverage to a Minnesota resident. Subdivisions 1 to 5 do not apply to a certificate of insurance or

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similar evidence of coverage that meets the conditions of section 61A.093, subdivision 2.

Sec. 10. Minnesota Statutes 2004, section 61A.02, is amended by adding a subdivision to read:

Subd. 2a. EXPEDITED PROCEDURE FOR LIFE OR ANNUITY CONTRACTS; FORM AND RATE FILING REVIEWS. (a) An insurer may file a life or annuity contract, rates, or forms and all related riders of any kind or description with the commissioner for a review under this subdivision. Any review must be completed within 60 days of receipt of a completed filing. The cost of any actuarial review must be paid by the insurer submitting the filing under this subdivision.

(b) If a filing has been disapproved and is resubmitted, the cover letter must note the disapproval and any changes made since the earlier filing, with an explanation of why the new filing should be approved. Resubmission of disapproved forms should, where possible, be made within 90 days of disapproval.

(c) The filer may request a hearing within ten days of receiving a final disapproval. Within 20 days of the receipt of the request, the commissioner shall schedule a date for the hearing, which must occur within 30 days of the scheduling. At least ten days' written notice of the hearing must be given to all interested parties. All hearings must be conducted in accordance with chapter 14.

(d) The hearing officer may order a prehearing conference for the resolution or simplification of issues, to be held no less than three days before the scheduled date of a hearing.

(e) All actuaries used by the commissioner to review filings submitted by insurers pursuant to this subdivision, whether employed by the department or secured by contract, must be members of the American Academy of Actuaries. The commissioner may contract with actuaries to review filings submitted by insurers under this subdivision, and shall assess the applicant for the costs of this review. Payments received by the commissioner under this subdivision shall be deposited in the revolving fund established under section 60A.03.

(f) Except for the change in timing for the review of completed filings found in paragraph (a) and the expedited hearing procedures found in paragraph (c), nothing in this subdivision shall be construed as changing the statutory and regulatory standards for approval or disapproval of filings.

Sec. 11. Minnesota Statutes 2004, section 72A.501, subdivision 1, is amended to read:

Subdivision 1. **REQUIREMENT; CONTENT.** An authorization used by an insurer, insurance-support organization, or insurance agent to disclose or collect personal or privileged information must be in writing and must meet the following requirements:

- (1) is written in plain language;

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(2) is dated;

(3) specifies the types of persons authorized to disclose information about the person;

(4) specifies the nature of the information authorized to be disclosed;

(5) names the insurer or insurance agent and identifies by generic reference representatives of the insurer to whom the person is authorizing information to be disclosed;

(6) specifies the purposes for which the information is collected; and

(7) specifies the length of time the authorization remains valid.

If the insurer, insurance-support organization, or insurance agent determines to disclose or collect a kind of information not specified in a previous authorization, a new authorization specifying that kind of information must be obtained.

Sec. 12. Minnesota Statutes 2004, section 72A.501, subdivision 2, is amended to read:

Subd. 2. **APPLICATION.** (a) If the authorization is signed to collect information in connection with an application for a property and casualty insurance policy, a policy reinstatement, or a request for a change in benefits, the authorization must not remain is valid for longer than one year from the date the authorization is signed or the date the insurer grants or denies coverage, reinstatement, or change in benefits, whichever is sooner as long as the individual is continually insured with the insurer. At each renewal of the policy, the insurer must notify the insured in writing of the contents of the authorization and that the authorization remains in effect unless revoked.

(b) If the authorization is signed to collect information in connection with an application for a life, disability, and health insurance policy or contract, reinstatement, or request for change in benefits, the authorization may not remain is valid for longer than 26 months from the date the authorization is signed as long as the individual is continually insured with the insurer. At each renewal of the policy, the insurer must notify the insured in writing of the contents of the authorization and that the authorization remains in effect unless revoked.

(c) This section and section 72A.502, subdivisions 1 and 12, do not apply to the collection and use of a numeric product referred to as an insurance score or credit score that is used by a licensed insurance agent or insurer exclusively for the purpose of underwriting or rating an insurance policy, if the agent or insurer informs the policyholder or prospective policyholder requesting the insurance coverage that an insurance score or credit score will be obtained for the purpose of underwriting or rating the policy.

Sec. 13. **REPEALER.**

Minnesota Statutes 2004, section 60A.171, subdivision 4, is repealed.

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Sec. 14. EFFECTIVE DATE; APPLICATION.

Sections 2, 3, and 10 are effective the day following final enactment and apply to filings made on or after that date.

Presented to the governor May 20, 2005

Signed by the governor May 24, 2005, 1:40 p.m.

CHAPTER 75—H.F.No. 2028

An act relating to counties; providing a process for making certain offices appointive in Pope, Lac qui Parle, and Nobles Counties.

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

Section 1. POPE COUNTY OFFICERS MAY BE APPOINTED.

Subdivision 1. AUTHORITY TO MAKE OFFICE APPOINTIVE. Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Pope County Board of Commissioners, the offices of Pope County recorder and Pope County auditor-treasurer are not elective but must be filled by appointment by the county board as provided in the resolution.

Subd. 2. BOARD CONTROLS; MAY CHANGE AS LONG AS DUTIES DONE. Upon adoption of a resolution by the Pope County Board of Commissioners and subject to subdivisions 3 and 4, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the Board of Commissioners of Pope County acting through a department head appointed by the board for that purpose. A reorganization, reallocation, or delegation or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Subd. 3. INCUMBENTS TO COMPLETE TERM. The person elected at the last general election to an office made appointive under this section must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 4. PUBLISHING RESOLUTION; PETITION, REFERENDUM. The Pope County Board may provide for the appointment of a county office as permitted in this section if the resolution to make the office appointive is approved by at least 80 percent of the members of the county board. Before the adoption of the resolution, the county board must publish a resolution notifying the public of its intent to consider the option once each week for two consecutive weeks in the official publication of the county. Following the publication, the county board shall provide an opportunity at its next regular meeting for public comment relating to the option, prior to formally adopting the option. The resolution may be implemented without the submission of the

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