

commissioners of Hennepin county may, in addition to bonds issued by the county for this purpose before January 1, 1973, by resolution issue and sell general obligation bonds of the county in the manner provided in Minnesota Statutes, Sections 475.60 to 475.753, in an aggregate amount not exceeding ~~\$5,000,000~~ \$2,500,000. Taxes for the payment of the principal of and interest on such bonds, shall be assessed and extended upon all taxable property in the county. Such bonds shall not be subject to the limitations of Minnesota Statutes, Sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year, on the bonds of that series authorized by this law and all bonds issued by the county for the purposes of the district before January 1, 1973, shall not exceed an amount equal to one three tenths of one mill times the assessed value of all taxable property in the county as last finally equalized before the issuance of the new series.

Sec. 2. Laws 1971, Chapter 954, Section 2, is amended to read:

Sec. 2. ~~Before any increase in the levy authorized by section 1 is made, the governing body of the governmental subdivision named in section 1~~ board of county commissioners of Hennepin county shall hold a public hearing on the question. Notice of the time and place of said hearing shall be published in one or more legal newspapers of general circulation in the area once in each week for two successive weeks prior to said hearing. The published notice shall be in a form determined by the governing body, which form shall be sufficient in size and prominent in format in order to attract the attention of the reader. In any event the notice shall be of a size at least two columns in width by six inches in length. The notice shall set forth the percentage of increase over the existing levy and the number of mills or dollars increase proposed.

Sec. 3. This act is effective upon its approval by the governing body of the governmental subdivision named in section 1, and upon compliance with the provisions of Minnesota Statutes, Section 645.021.

Approved May 21, 1973.

CHAPTER 474—H.F.No.1044

An act relating to insurance; making the unfair processing of the claim or complaint of a natural person an unfair trade practice;

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providing a penalty for violation; amending Minnesota Statutes 1971, Sections 72A.20, Subdivision 1; and 72A.28.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1971, Section 72A.20, Subdivision 1, is amended to read:

72A.20 INSURANCE; CLAIMS; UNFAIR PROCESSING; METHODS, ACTS AND PRACTICES WHICH ARE DEFINED AS UNFAIR OR DECEPTIVE. Subdivision 1. **SCHEDULE OF UNFAIR METHODS.** The following are hereby defined as unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

(1) **MISREPRESENTATIONS AND FALSE ADVERTISING OF POLICY CONTRACTS.** Making, issuing, circulating, or causing to be made, issued, or circulated, any estimate, illustration, circular, or statement misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon, or making any false or misleading statement as to the dividends or share of surplus previously paid on similar policies, or making any misleading representation or any misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates, or using any name or title of any policy or class of policies misrepresenting the true nature thereof, or making any misrepresentation to any policyholder insured in any company for the purpose of inducing or tending to induce such policyholder to lapse, forfeit, or surrender his insurance;

(2) **FALSE INFORMATION AND ADVERTISING GENERALLY.** Making, publishing, disseminating, 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 station, or in any other way, an advertisement, announcement, or statement, containing any assertion, representation, or statement with respect to the business of insurance, or with respect to any person in the conduct of his insurance business, which is untrue, deceptive, or misleading;

(3) **DEFAMATION.** Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting, or encouraging the making, publishing, disseminating, or circulating of any oral or written statement or any pamphlet, circular, article, or literature which is false, or maliciously critical of or derogatory to the financial condition of an insurer, and which is calculated to injure any person engaged in the business of insurance;

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(4) **BOYCOTT, COERCION AND INTIMIDATION.** Entering into any agreement to commit, or by any concerted action committing, any act of boycott, coercion, or intimidation, resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance;

(5) **FALSE FINANCIAL STATEMENTS.** Filing with any supervisory or other public official, or making, publishing, disseminating, circulating, or delivering to any person, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false statement of financial condition of an insurer with intent to deceive;

(6) **FALSE ENTRIES.** Making any false entry in any book, report, or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to whom such insurer is required by law to report, or who has authority by law to examine into its condition or into any of its affairs, or, with like intent, wilfully omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report, or statement of such insurer;

(7) **STOCK OPERATIONS AND ADVISORY BOARD CONTRACTS.** Issuing or delivering, or permitting agents, officers, or employees to issue or deliver, agency company stock or other capital stock, or benefit certificates or shares in any common-law corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance;

(8) **DISCRIMINATION.** Making or permitting any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract;

(9) **DISCRIMINATION BETWEEN INDIVIDUALS OF THE SAME CLASS.** Making or permitting any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy fees, or rates charged for any policy or contract of accident or health insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatever;

(10) **REBATES.** Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of life insurance, annuity, or accident and health insurance, or agreement as to such contract, other than as plainly

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expressed in the contract issued thereon, or paying or allowing or giving, or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; or giving or selling or purchasing, or offering to give, sell, or purchase, as inducement to such insurance or annuity, or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract;

(11) **APPLICATION TO CERTAIN SECTIONS.** Any violation of any provision of the following sections of this chapter not set forth in clauses (1) to (10) of this subdivision: section 72A.12, subdivisions 2, 3, and 4, section 72A.16, subdivision 2, sections 72A.03 and 72A.04, section 72A.08, subdivision 1 as modified by section 72A.08, subdivision 4, and section 65B.13;

(12) **UNFAIR SERVICE.** Causing or permitting with such frequency to indicate a general business practice the claims and complaints of insureds to be processed in an unreasonable length of time, or in an unfair, deceptive, or fraudulent manner, or in violation of such regulations as the commissioner of insurance shall make in the public interest to insure the prompt, fair, and honest processing of such claims and complaints.

Sec. 2. Minnesota Statutes 1971, Section 72A.28, is amended to read:

72A.28 VIOLATIONS AND PENALTIES. Subdivision 1. Any person who violates a cease and desist order of the commissioner under section 72A.23, after it has become final and while such order is in effect, shall forfeit and pay to the state of Minnesota a sum not to exceed ~~\$2,500~~ \$10,000 for each violation, which may be recovered in a civil action. In determining the amount of the penalty the question of whether the violation was wilful shall be taken into consideration. In addition to recovering a penalty, the commissioner of insurance may revoke or suspend, in accordance with section 60A.05, any or all certificates of authority granted to any insurance company which violates a cease and desist order of the commissioner under section 72A.23, after it has become final and while such order is in effect. Nothing herein shall be construed as limiting a court in enforcing its own orders.

Subd. 2. After a cease and desist order issued by the commissioner becomes final under section 72A.24, subdivision 4, any person found to have violated section 72A.19 may be required by the commissioner to pay a penalty, for the use of the state, of not less

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than \$500 and not more than \$5,000 for each offense. Any insurer which fails to pay the penalty within ten days after notice from the commissioner shall be subject to having any or all of its certificates of authority suspended by the commissioner in accordance with section 60A.05 until the penalty is paid.

Approved May 21, 1973.

CHAPTER 475—H.F.No.1058

An act relating to education; extending the program of instruction review authority of the Minnesota higher education coordinating commission to include private collegiate and non-collegiate institutions offering post-secondary education; amending Minnesota Statutes 1971, Section 136A.04.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1971, Section 136A.04, is amended to read:

136A.04 HIGHER EDUCATION; REVIEW AUTHORITY; INCLUSION OF PRIVATE INSTITUTIONS; DUTIES. The higher education coordinating commission shall:

(a) Continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state in respect thereto;

(b) Continuously engage in long range planning of the needs of higher education and, if necessary, cooperatively engage in such planning with neighboring states and agencies of the federal government;

(c) Act as successor to any committee or commission heretofore authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(d) Review, make recommendations and identify priorities with respect to all plans and proposals for new or additional programs of instruction or substantial changes in existing programs to be established in or offered by, the University of Minnesota, the state colleges, the state junior colleges, and public area vocational-techni-

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