
CHAPTER 309—S.F.No.488

An act relating to insurance premium financing; clarifying the definition of an open end premium finance agreement; allowing additional premiums to be added to an open end insurance premium finance agreement, and prescribing the conditions therefor; prohibiting flat service fees for adding additional premiums; allowing a finance charge for additional premiums added to an open end insurance premium finance agreement; amending Minnesota Statutes 1974, Section 59A.08, Subdivision 3.

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

Section 1. Minnesota Statutes 1974, Section 59A.08, Subdivision 3, is amended to read:

Subd. 3. INSURANCE; INSURANCE PREMIUM FINANCING; ADDITIONAL PREMIUMS. The information required by subdivision 1 shall only be required in the initial insurance premium finance agreement where the premium finance agreement which has been entered into provides for open end terms defined as follows: An agreement which provides that additional premiums required on originally financed policies may be added from time to time on which a finance charge may be added for the remaining term of the original finance agreement. The \$10 flat service fee may not be collected on these additional premiums financed entered into if said agreement is open end. An insurance premium finance agreement is open end if it provides that additional or subsequent insurance premiums may be financed and added to the initial insurance premium finance agreement from time to time .

Additional or subsequent premiums may be added to an open end insurance premium finance agreement from time to time, provided that:

(a) The additional or subsequent insurance premium to be added results from additional premiums required under policies presently being financed under the open end insurance premium finance agreement or from a renewal of a policy or from other policies owned or purchased by the insured.

(b) The insurance premium finance company receives written notice or advice from an insurer authorized to do business in this state or from an insurance agent licensed in this state acknowledging that the premium on an existing financed policy has been increased or that a policy has been renewed or that additional policies have or will be issued to the insured. The notice or advice shall contain the amount of the additional premium, the down payment collected by the insurer or agent, if any, and the amount of premium to be added to the open end

Changes or additions indicated by underline deletions by ~~strikeout~~

insurance premium finance agreement.

(c) If the additional premiums to be added to the open end insurance premium finance agreement result from additional premiums required on policies presently financed under the agreement which are to be financed beyond the scheduled maturity of the original financing, the renewal of a policy or from an additional policy owned or purchased by the insured, the insurance premium finance company shall mail a notice to the insured at the address shown in the policy. Said notice shall contain:

(1) The information required by subdivision 1, notwithstanding that the notice is not signed by, nor on behalf of the insured;

(2) A conspicuous statement to the insured stating that he may tender the premiums in full or disaffirm the financing of the premium on the renewal or additional policies by mailing to the insurance premium finance company notice of his intention to do so within ten days after the insurance premium finance company mails to the insured the notice required by this subdivision;

(3) A conspicuous statement to the insured that the insurance premium finance company may, in event of default in payment of the additional premium, or any installment thereof, cause the insured's insurance contract or contracts to be cancelled as provided in section 59A.11.

(d) At the time the notice of additional premium to be added to the open end insurance premium finance agreement is mailed to the insured as provided in clause (c), an employee of the insurance premium finance company shall prepare and sign a certificate or affidavit of mailing setting forth the following:

(1) The name of the employee who mailed the notice of the additional premium to be financed.

(2) That the employee mailing the notice is over 18 years of age.

(3) The date and place of the deposit of the notice in the mail.

(4) The name and address of the person to whom the notice was mailed as shown on the envelope containing the notice.

(5) That the envelope containing the notice was sealed and deposited in the mail with the proper postage thereon.

A certificate or affidavit of mailing, prepared and signed as prescribed in this subdivision shall raise rebuttable presumption that the notice was mailed to the insured at the address shown in the certificate or affidavit of mailing.

Changes or additions indicated by underline deletions by ~~strikeout~~

(e) The insurance premium finance company may make a finance charge in accordance with section 59A.09 for additional premiums financed and added to an open end insurance premium finance agreement; however, only one flat rate service fee may be made or charged for each insurance premium finance agreement entered into and no additional flat service fee may be made or charged for adding additional or subsequent premiums to an open end insurance premium finance agreement for which a flat service fee was previously made or charged.

Approved June 4, 1975.

CHAPTER 310—S.F.No.578

[Coded in Part]

An act relating to public health; authorizing the state board of health to establish mobile health clinics; prescribe fees and requirements for licenses, inspections, and permits; receive funds; enter into agreements for performance of duties by local agents; inspect, license, and regulate hotels and restaurants; providing penalties; amending Minnesota Statutes 1974, Sections 62D.21; 144.02; 144.076; 144.12; 144.121; 144.122; 144.53; 144.653, Subdivisions 2, 6 and 8; 144.802; 145.866; 149.02; 149.03, Subdivisions 1 and 2; 149.08; 156A.07, Subdivisions 5, 6 and 7; 157.01; 157.02; 157.03; 157.04; 157.05, Subdivisions 1, 2 and 3; 157.08; 157.09; 157.12; 157.13; 157.14; 326.42; 326.62; 327.15; 327.16, Subdivision 3; Chapters 144 and 145, by adding sections; repealing Minnesota Statutes 1974, Sections 157.05, Subdivisions 4, 5, 6 and 7; 157.06; 157.07; and 157.11; and Laws 1974, Chapter 205.

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

Section 1. Minnesota Statutes 1974, Section 62D.21, is amended to read:

62D.21 PUBLIC HEALTH; MOBILE HEALTH CLINICS; FEES.
~~Subdivision 1.~~ Every health maintenance organization subject to sections 62D.01 to 62D.29 shall pay to the board fees as prescribed by the board pursuant to section 144.122 for the following fees :

- (a) ~~For~~ Filing an application for a certificate of authority, ~~€250.~~
- (b) ~~For~~ Filing an amendment to a certificate of authority, ~~€50.~~
- (c) ~~For~~ Filing each annual report, ~~€50.~~ and
- (d) ~~For~~ Other filings, ~~€25~~ as specified by regulation .

~~Subd. 2. Fees received pursuant to this section shall be deposited in the general fund of the state treasury.~~

Changes or additions indicated by underline deletions by ~~strikeout~~