

1 Department of Labor and Industry

2

3 Adopted Permanent Rules Relating to Workers' Compensation;

4 Insurance Verification

5

6 Rules as Adopted

7 5222.2000 PURPOSE.

8 Parts 5222.2000 to 5222.2006 govern the filing by insurers  
9 of insurance coverage notices under Minnesota Statutes, section  
10 176.185. Those parts apply to endorsements; binders; notices of  
11 new policy issuance, cancellation, expiration, termination,  
12 intent to provide insurance, policy reinstatement, and  
13 corrections; and similar documents relating to policy coverage.

14 5222.2001 CONTENTS OF NOTICE.

15 Subpart 1. Form. Notices relating to policy coverage  
16 shall be filed on forms prescribed by the commissioner or as  
17 provided in subpart 2. All documents notices submitted must be  
18 typewritten or, machine printed, on computer magnetic tape in an  
19 approved format, or via telecommunications using an approved  
20 format and protocol.

21 Subp. 2. Use of declaration sheets. An insurer's policy  
22 declaration sheet or insurance binder may be used in place of  
23 forms prescribed by the commissioner if the declaration contains  
24 at least the following information:

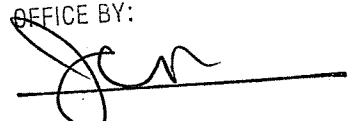
25 A. Type of action, such as new policy, correction,  
26 binder, reinstatement, expiration, cancellation, termination, or  
27 notice of intent to provide insurance.

28 B. Employer's legal name.

29 C. Every dba (doing business as) name used by the  
30 employer.

31 D. Employer's legal form of ownership, such as  
32 corporation, partnership, limited partnership, or government  
33 entity. All owners or partners must be specifically named. In  
34 limited partnerships, only the general partners must be  
35 identified.

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1 E. Employer's complete mailing address, including zip  
2 code.

3 F. Nature of employer's business.

4 G. Policy number.

5 H. Effective and expiration dates of policy.

6 I. Name of carrier.

7 J. Carrier office issuing the policy.

8 K. Type of cancellation, if applicable.

9 L. Reason for cancellation, if applicable.

10 M. Effective date of cancellation, if applicable.

11 Subp. 3. Filing not accepted. Notices not in compliance  
12 with this part will not be accepted for filing.

13 5222.2002 PLACE OF FILING.

14 All notices required by Minnesota Statutes, section 176.185  
15 shall be filed with the commissioner's contract designee for  
16 this purpose, the Minnesota Workers' Compensation Insurers  
17 Association, Inc. (MWCIA). This part applies to all insurers  
18 licensed to write workers' compensation insurance in Minnesota,  
19 including insurers who are not members of the MWCIA. MWCIA  
20 shall function only as a repository for data collection and  
21 processing; any issues regarding the adequacy, timeliness, or  
22 other aspects of the filing are to be addressed to the  
23 commissioner.

24 5222.2003 TIME FOR FILING NOTICE.

25 Subpart 1. Policy issuance. Notice of coverage must be  
26 filed by the insurer within ten days of issuance (effective  
27 date) of a policy or 20 days of issuance (effective date) of a  
28 binder or acceptance of an employer's application for insurance,  
29 whichever is earlier.

30 Subp. 2. Cancellation. Notice of cancellation,  
31 termination, or expiration must be filed by the insurer at the  
32 same time that notice is given to the insured, or, if  
33 cancellation is initiated by the insured, upon receipt of notice  
34 from the insured. The policy shall remain in effect for 30 days  
35 after the insurer's filing of notice, or, if sooner, until

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1 another policy or binder is issued by the same carrier or a  
2 different carrier.

3 Subp. 3. Receipt of notice. Filing is effective upon  
4 receipt by the Minnesota Workers' Compensation Insurers  
5 Association, Inc. (MWCIA) of a notice that complies with part  
6 5222.2001. Notices received by the commissioner will be  
7 forwarded to the MWCIA and will not become effective until  
8 received by that organization.

9 Subp. 4. Failure to timely file. Where If an insurer  
10 fails to file a timely notice ~~as required by this part, in five~~  
11 ~~or more instances, the commissioner shall issue a warning letter~~  
12 ~~advising it of its responsibilities under the law, and the~~  
13 ~~effect of future noncompliance. If during the 30 days from the~~  
14 ~~date of the warning letter any filing is not timely, the~~  
15 ~~commissioner will, other than a notice of cancellation,~~  
16 ~~termination, or expiration provided for in subpart 2, as~~  
17 ~~required by parts 5222.2000 to 5222.2006 on five percent of all~~  
18 ~~policies for which such notices are due in any calendar month,~~  
19 ~~if greater than five notices, it shall be subject to the~~  
20 ~~sanctions described below. If the commissioner determines that~~  
21 ~~an insurer has exceeded this percentage on more than one~~  
22 ~~occasion in any 12-month period, the commissioner shall issue a~~  
23 ~~warning letter advising the insurer of its responsibilities~~  
24 ~~under the law, and the effect of future noncompliance.~~

25 If the commissioner determines that an insurer has exceeded  
26 this percentage on more than two occasions in any 12-month  
27 period, the commissioner may require the insurer to provide to  
28 the commissioner a written description of the steps the insurer  
29 will take to implement changes in the insurer's notice filing  
30 procedures to prevent future untimely delays and periodic  
31 written reports as to the progress and success of the  
32 implementation of such procedures.

33 If the commissioner determines that an insurer has exceeded  
34 this percentage on more than four occasions in any 12-month  
35 period, the commissioner may in addition to the other actions  
36 identified in this subpart notify the Department of Commerce and

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1 request a review of the insurer's authority to write workers'  
2 compensation insurance in Minnesota. This ~~provision~~ subpart  
3 does not affect the insurer's continued liability on the policy,  
4 as determined by law, for failure to timely file.

5 5222.2004 EFFECT OF FILING.

6 Filing with the Minnesota Workers' Compensation Insurers  
7 Association, Inc. under parts 5220.2000 to 5220.2006 is deemed a  
8 filing with the commissioner for purposes of Minnesota Statutes,  
9 section 176.185, subdivision 1. Filing under this part is not  
10 notice to the employer under Minnesota Statutes, sections  
11 176.181 and 176.185.

12 5222.2005 CANCELLATION OF SUBSIDIARY COVERAGE.

13 If a single policy covers a parent corporation and its  
14 subsidiaries, a cancellation or endorsement must be filed even  
15 if the policy for the parent is to continue. The notice must  
16 specify that the subsidiary is canceled and the parent remains  
17 covered. If a new subsidiary is added to the policy, an  
18 endorsement to the declaration sheet must be filed.

19 5222.2006 COVERAGE.

20 Parts 5222.2000 to 5222.2006 shall apply to all filings  
21 required by Minnesota Statutes, section 176.185 on or after  
22 March 1, 1987.