

ARTICLE 5

INSURANCE HOLDING COMPANY SYSTEMS

Section 1. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision to read:

Subd. 5. **Other violations.** If the commissioner believes a person has committed a violation of section 60D.17 that prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision under chapter 60B.

Sec. 2. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with, or corporate office held by, ~~or court appointment of,~~ the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support ~~such~~ the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 3. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 4c. **Group capital calculation instructions.** "Group capital calculation instructions" means the group capital calculation instructions adopted by the NAIC and as amended by the NAIC from time to time in accordance with procedures adopted by the NAIC.

Sec. 4. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

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

Sec. 5. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6c. **NAIC liquidity stress test framework.** "NAIC liquidity stress test framework" means ~~an~~ NAIC publication which includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and

Sec. 8. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision to read:

Subd. 5. **Other violations.** If the commissioner believes a person has committed a violation of section 60D.17 that prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision under chapter 60B.

Sec. 9. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with, or corporate office held by, ~~or court appointment of,~~ the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support ~~such~~ the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 10. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 4c. **Group capital calculation instructions.** "Group capital calculation instructions" means the group capital calculation instructions adopted by the NAIC and as amended by the NAIC from time to time in accordance with procedures adopted by the NAIC.

Sec. 11. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

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

Sec. 12. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6c. **NAIC liquidity stress test framework.** "NAIC liquidity stress test framework" means ~~a~~ NAIC publication which includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity

42.17 the liquidity stress test instructions and reporting templates for a specific data year, scope  
42.18 criteria, instructions, and reporting template being adopted by the NAIC, and as amended  
42.19 by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

42.20 Sec. 6. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

42.21 Subd. 7. **Person.** A "person" is an individual, a corporation, a limited liability company,  
42.22 a partnership, an association, a joint stock company, a trust, an unincorporated organization,  
42.23 any similar entity or any combination of the foregoing acting in concert, but does not include  
42.24 any joint venture partnership exclusively engaged in owning, managing, leasing, or  
42.25 developing real or tangible personal property.

42.26 Sec. 7. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to  
42.27 read:

42.28 Subd. 7a. **Scope criteria.** "Scope criteria," as detailed in the NAIC liquidity stress test  
42.29 framework, means the designated exposure bases along with minimum magnitudes of the  
42.30 designated exposure bases for the specified data year that are used to establish a preliminary  
43.1 list of insurers considered scoped into the NAIC liquidity stress test framework for that data  
43.2 year.

43.3 Sec. 8. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

43.4 Subd. 2. **Additional investment authority.** In addition to investments in common stock,  
43.5 preferred stock, debt obligations, and other securities otherwise permitted under this chapter,  
43.6 a domestic insurer may also:

43.7 (a) Invest, in common stock, preferred stock, debt obligations, and other securities of  
43.8 one or more subsidiaries, amounts that do not exceed the lesser of ten percent of the insurer's  
43.9 assets or 50 percent of the insurer's surplus as regards policyholders, provided that after the  
43.10 investments, the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation  
43.11 to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the  
43.12 amount of these investments, investments in domestic or foreign insurance subsidiaries and  
43.13 health maintenance organizations must be excluded, and there must be included:

43.14 (1) total net money or other consideration expended and obligations assumed in the  
43.15 acquisition or formation of a subsidiary, including all organizational expenses and  
43.16 contributions to capital and surplus of the subsidiary whether or not represented by the  
43.17 purchase of capital stock or issuance of other securities; and

43.18 (2) all amounts expended in acquiring additional common stock, preferred stock, debt  
43.19 obligations, and other securities; and all contributions to the capital or surplus; of a subsidiary  
43.20 subsequent to its acquisition or formation.

43.21 (b) Invest any amount in common stock, preferred stock, debt obligations, and other  
43.22 securities of one or more subsidiaries engaged or organized to engage exclusively in the  
43.23 ownership and management of assets authorized as investments for the insurer provided  
43.24 that the subsidiary agrees to limit its investments in any asset so that the investments ~~will~~

44.20 stress test instructions and reporting templates for a specific data year, scope criteria,  
44.21 instructions, and reporting template being adopted by the NAIC, and as amended by the  
44.22 NAIC from time to time in accordance with the procedures adopted by the NAIC.

44.23 Sec. 13. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

44.24 Subd. 7. **Person.** A "person" is an individual, a corporation, a limited liability company,  
44.25 a partnership, an association, a joint stock company, a trust, an unincorporated organization,  
44.26 any similar entity or any combination of the foregoing acting in concert, but does not include  
44.27 any joint venture partnership exclusively engaged in owning, managing, leasing, or  
44.28 developing real or tangible personal property.

45.1 Sec. 14. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to  
45.2 read:

45.3 Subd. 7a. **Scope criteria.** "Scope criteria," as detailed in the NAIC liquidity stress test  
45.4 framework, means the designated exposure bases along with minimum magnitudes of the  
45.5 designated exposure bases for the specified data year that are used to establish a preliminary  
45.6 list of insurers considered scoped into the NAIC liquidity stress test framework for that data  
45.7 year.

45.8 Sec. 15. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

45.9 Subd. 2. **Additional investment authority.** In addition to investments in common stock,  
45.10 preferred stock, debt obligations, and other securities otherwise permitted under this chapter,  
45.11 a domestic insurer may also:

45.12 (a) Invest, in common stock, preferred stock, debt obligations, and other securities of  
45.13 one or more subsidiaries, amounts that do not exceed the lesser of ten percent of the insurer's  
45.14 assets or 50 percent of the insurer's surplus as regards policyholders, provided that after the  
45.15 investments, the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation  
45.16 to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the  
45.17 amount of these investments, investments in domestic or foreign insurance subsidiaries and  
45.18 health maintenance organizations must be excluded, and there must be included:

45.19 (1) total net money or other consideration expended and obligations assumed in the  
45.20 acquisition or formation of a subsidiary, including all organizational expenses and  
45.21 contributions to capital and surplus of the subsidiary whether or not represented by the  
45.22 purchase of capital stock or issuance of other securities; and

45.23 (2) all amounts expended in acquiring additional common stock, preferred stock, debt  
45.24 obligations, and other securities; and all contributions to the capital or surplus; of a subsidiary  
45.25 subsequent to its acquisition or formation.

45.26 (b) Invest any amount in common stock, preferred stock, debt obligations, and other  
45.27 securities of one or more subsidiaries engaged or organized to engage exclusively in the  
45.28 ownership and management of assets authorized as investments for the insurer provided  
45.29 that the subsidiary agrees to limit its investments in any asset so that the investments ~~will~~

43.25 do not cause the amount of the total investment of the insurer to exceed any of the investment  
43.26 limitations specified in paragraph (a) or other statutes applicable to the insurer. For the  
43.27 purpose of this paragraph, "the total investment of the insurer" includes:

43.28 (1) any direct investment by the insurer in an asset; and

43.29 (2) the insurer's proportionate share of any investment in an asset by any subsidiary of  
43.30 the insurer, which must be calculated by multiplying the amount of the subsidiary's  
43.31 investment by the percentage of the ownership of the subsidiary.

43.32 (c) With the approval of the commissioner, invest any greater amount in common stock,  
43.33 preferred stock, debt obligations, or other securities of one or more subsidiaries, if after the  
44.1 investment the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to  
44.2 the insurer's outstanding liabilities and adequate to its financial needs.

44.3 Sec. 9. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

44.4 Subdivision 1. **Filing requirements.** (a) No person other than the issuer shall: (1) make  
44.5 a tender offer for or a request or invitation for tenders of, or enter into any agreement to  
44.6 exchange securities ~~or~~ for, seek to acquire, or acquire, in the open market or otherwise, any  
44.7 voting security of a domestic insurer if, after the consummation thereof, the person would,  
44.8 directly or indirectly, or by conversion or by exercise of any right to acquire, be in control  
44.9 of the insurer; or (2) enter into an agreement to merge with or otherwise to acquire control  
44.10 of a domestic insurer or any person controlling a domestic insurer unless, at the time the  
44.11 offer, request, or invitation is made or the agreement is entered into, or before the acquisition  
44.12 of the securities if no offer or agreement is involved, the person has filed with the  
44.13 commissioner and has sent to the insurer, a statement containing the information required  
44.14 by this section and the offer, request, invitation, agreement, or acquisition has been approved  
44.15 by the commissioner in the manner prescribed in this section.

44.16 (b) For purposes of this section, a controlling person of a domestic insurer seeking to  
44.17 divest its controlling interest in the domestic insurer, in any manner, shall file with the  
44.18 commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at  
44.19 least 30 days before the cessation of control. The commissioner shall determine those  
44.20 instances in which the party or parties seeking to divest or to acquire a controlling interest  
44.21 in an insurer will be required to file for and obtain approval of the transaction.

44.22 (c) With respect to a transaction subject to this section, the acquiring person must also  
44.23 file a preacquisition notification with the commissioner, which must contain the information  
44.24 set forth in section 60D.18, subdivision 3, paragraph (b). A failure to file the notification  
44.25 may be subject to penalties specified in section 60D.18, subdivision 5.

45.30 do not cause the amount of the total investment of the insurer to exceed any of the investment  
45.31 limitations specified in paragraph (a) or other statutes applicable to the insurer. For the  
45.32 purpose of this paragraph, "the total investment of the insurer" includes:

45.33 (1) any direct investment by the insurer in an asset; and

46.1 (2) the insurer's proportionate share of any investment in an asset by any subsidiary of  
46.2 the insurer, which must be calculated by multiplying the amount of the subsidiary's  
46.3 investment by the percentage of the ownership of the subsidiary.

46.4 (c) With the approval of the commissioner, invest any greater amount in common stock,  
46.5 preferred stock, debt obligations, or other securities of one or more subsidiaries, if after the  
46.6 investment the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to  
46.7 the insurer's outstanding liabilities and adequate to its financial needs.

46.8 Sec. 16. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

46.9 Subdivision 1. **Filing requirements.** (a) No person other than the issuer shall: (1) make  
46.10 a tender offer for or a request or invitation for tenders of, or enter into any agreement to  
46.11 exchange securities ~~or~~ for, seek to acquire, or acquire, in the open market or otherwise, any  
46.12 voting security of a domestic insurer if, after the consummation thereof, the person would,  
46.13 directly or indirectly, or by conversion or by exercise of any right to acquire, be in control  
46.14 of the insurer; or (2) enter into an agreement to merge with or otherwise to acquire control  
46.15 of a domestic insurer or any person controlling a domestic insurer unless, at the time the  
46.16 offer, request, or invitation is made or the agreement is entered into, or before the acquisition  
46.17 of the securities if no offer or agreement is involved, the person has filed with the  
46.18 commissioner and has sent to the insurer, a statement containing the information required  
46.19 by this section and the offer, request, invitation, agreement, or acquisition has been approved  
46.20 by the commissioner in the manner prescribed in this section.

46.21 (b) For purposes of this section, a controlling person of a domestic insurer seeking to  
46.22 divest its controlling interest in the domestic insurer, in any manner, shall file with the  
46.23 commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at  
46.24 least 30 days before the cessation of control. The commissioner shall determine those  
46.25 instances in which the party or parties seeking to divest or to acquire a controlling interest  
46.26 in an insurer will be required to file for and obtain approval of the transaction. The  
46.27 information must remain confidential until the conclusion of the transaction unless the  
46.28 commissioner, in the commissioner's discretion, determines that confidential treatment  
46.29 interferes with the enforcement of this section. This paragraph does not apply if the statement  
46.30 referred to in paragraph (a) is otherwise filed.

46.31 (c) With respect to a transaction subject to this section, the acquiring person must also  
46.32 file a preacquisition notification with the commissioner, which must contain the information  
46.33 set forth in section 60D.18, subdivision 3, paragraph (b). A failure to file the notification  
46.34 may be subject to penalties specified in section 60D.18, subdivision 5.

44.26 (d) For purposes of this section, a domestic insurer includes a person controlling a  
44.27 domestic insurer unless the person, as determined by the commissioner, is either directly  
44.28 or through its affiliates primarily engaged in business other than the business of insurance.  
44.29 For the purposes of this section, "person" does not include any securities broker holding,  
44.30 in the usual and customary ~~brokers~~ broker's function, less than 20 percent of the voting  
44.31 securities of an insurance company or of any person that controls an insurance company.

44.32 (e) The statement filed with the commissioner pursuant to subdivisions 1 and 2 must  
44.33 remain confidential until the transaction is approved by the commissioner, except that all  
44.34 attachments filed with the statement remain confidential after the approval unless the  
45.1 commissioner, in the commissioner's discretion, determines that confidential treatment of  
45.2 any of this information will interfere with enforcement of this section.

45.3 Sec. 10. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

45.4 Subd. 3. **Preacquisition notification; waiting period.** (a) An acquisition covered by  
45.5 subdivision 2 may be subject to an order pursuant to subdivision 4 5 unless the acquiring  
45.6 person files a preacquisition notification and the waiting period has expired. The acquired  
45.7 person may file a preacquisition notification. The commissioner shall give confidential  
45.8 treatment to information submitted under this section in the same manner as provided in  
45.9 section 60D.22.

45.10 (b) The preacquisition notification must be in the form and contain the information as  
45.11 prescribed by the National Association of Insurance Commissioners relating to those markets  
45.12 that, under subdivision 2, paragraph (b), clause ~~(5)~~ (4), cause the acquisition not to be  
45.13 exempted from the provisions of this section. The commissioner may require ~~the~~ additional  
45.14 material and information as the commissioner deems necessary to determine whether the  
45.15 proposed acquisition, if consummated, would violate the competitive standard of subdivision  
45.16 4. The required information may include an opinion of an economist as to the competitive  
45.17 impact of the acquisition in this state accompanied by a summary of the education and  
45.18 experience of the person indicating that person's ability to render an informed opinion.

45.19 (c) The waiting period required begins on the date of receipt of the commissioner of a  
45.20 preacquisition notification and ends on the earlier of the 30th day after the date of its receipt,  
45.21 or termination of the waiting period by the commissioner. Before the end of the waiting  
45.22 period, the commissioner on a onetime basis may require the submission of additional  
45.23 needed information relevant to the proposed acquisition, in which event the waiting period  
45.24 shall end on the earlier of the 30th day after receipt of the additional information by the  
45.25 commissioner or termination of the waiting period by the commissioner.

45.26 Sec. 11. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

45.27 Subd. 4. **Materiality.** No information need be disclosed on the registration statement  
45.28 filed pursuant to subdivision 2 if the information is not material for the purposes of this  
45.29 section. Unless the commissioner by rule or order provides otherwise; sales, purchases,  
45.30 exchanges, loans or extensions of credit, investments, or guarantees involving one-half of

47.1 (d) For purposes of this section, a domestic insurer includes a person controlling a  
47.2 domestic insurer unless the person, as determined by the commissioner, is either directly  
47.3 or through its affiliates primarily engaged in business other than the business of insurance.  
47.4 For the purposes of this section, "person" does not include any securities broker holding,  
47.5 in the usual and customary ~~brokers~~ broker's function, less than 20 percent of the voting  
47.6 securities of an insurance company or of any person that controls an insurance company.

47.7 (e) The statement filed with the commissioner pursuant to subdivisions 1 and 2 must  
47.8 remain confidential until the transaction is approved by the commissioner, except that all  
47.9 attachments filed with the statement remain confidential after the approval unless the  
47.10 commissioner, in the commissioner's discretion, determines that confidential treatment of  
47.11 any of this information will interfere with enforcement of this section.

47.12 Sec. 17. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

47.13 Subd. 3. **Preacquisition notification; waiting period.** (a) An acquisition covered by  
47.14 subdivision 2 may be subject to an order pursuant to subdivision 4 5 unless the acquiring  
47.15 person files a preacquisition notification and the waiting period has expired. The acquired  
47.16 person may file a preacquisition notification. The commissioner shall give confidential  
47.17 treatment to information submitted under this section in the same manner as provided in  
47.18 section 60D.22.

47.19 (b) The preacquisition notification must be in the form and contain the information as  
47.20 prescribed by the National Association of Insurance Commissioners relating to those markets  
47.21 that, under subdivision 2, paragraph (b), clause ~~(5)~~ (4), cause the acquisition not to be  
47.22 exempted from the provisions of this section. The commissioner may require ~~the~~ additional  
47.23 material and information as the commissioner deems necessary to determine whether the  
47.24 proposed acquisition, if consummated, would violate the competitive standard of subdivision  
47.25 4. The required information may include an opinion of an economist as to the competitive  
47.26 impact of the acquisition in this state accompanied by a summary of the education and  
47.27 experience of the person indicating that person's ability to render an informed opinion.

47.28 (c) The waiting period required begins on the date of receipt of the commissioner of a  
47.29 preacquisition notification and ends on the earlier of the 30th day after the date of its receipt,  
47.30 or termination of the waiting period by the commissioner. Before the end of the waiting  
47.31 period, the commissioner on a onetime basis may require the submission of additional  
47.32 needed information relevant to the proposed acquisition, in which event the waiting period  
47.33 shall end on the earlier of the 30th day after receipt of the additional information by the  
47.34 commissioner or termination of the waiting period by the commissioner.

48.1 Sec. 18. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

48.2 Subd. 4. **Materiality.** No information need be disclosed on the registration statement  
48.3 filed pursuant to subdivision 2 if the information is not material for the purposes of this  
48.4 section. Unless the commissioner by rule or order provides otherwise; sales, purchases,  
48.5 exchanges, loans or extensions of credit, investments, or guarantees involving one-half of

45.31 one percent or less of an insurer's admitted assets as of the 31st day of December next  
45.32 preceding shall not be deemed material for purposes of this section. The definition of  
46.1 materiality provided in this subdivision does not apply for purposes of the group capital  
46.2 calculation or the NAIC liquidity stress test framework.

46.3 Sec. 12. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to  
46.4 read:

46.5 Subd. 11b. **Group capital calculation.** (a) Except as otherwise provided in this paragraph,  
46.6 the ultimate controlling person of every insurer subject to registration must concurrently  
46.7 file with the registration an annual group capital calculation as directed by the commissioner.  
46.8 The report must be completed in accordance with the NAIC group capital calculation  
46.9 instructions, which may permit the commissioner to allow a controlling person that is not  
46.10 the ultimate controlling person to file the group capital calculation. The report must be filed  
46.11 with the commissioner, as determined by the commissioner in accordance with the procedures  
46.12 within the Financial Analysis Handbook adopted by the NAIC. The following insurance  
46.13 holding company systems are exempt from filing the group capital calculation:

46.14 (1) an insurance holding company system that (i) has only one insurer within the insurance  
46.15 holding company system's holding company structure, (ii) only writes business and is only  
46.16 licensed in the insurance holding company system's domestic state, and (iii) assumes no  
46.17 business from any other insurer;

46.18 (2) an insurance holding company system that is required to perform a group capital  
46.19 calculation specified by the United States Federal Reserve Board. The commissioner must  
46.20 request the calculation from the Federal Reserve Board under the terms of information  
46.21 sharing agreements in effect. If the Federal Reserve Board is unable to share the calculation  
46.22 with the commissioner, the insurance holding company system is not exempt from the group  
46.23 capital calculation filing;

46.24 (3) an insurance holding company system whose non-United States groupwide supervisor  
46.25 is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b,  
46.26 that recognizes the United States state regulatory approach to group supervision and group  
46.27 capital; or

46.28 (4) an insurance holding company system:

46.29 (i) that provides information to the commissioner that meets the requirements for  
46.30 accreditation under the NAIC financial standards and accreditation program, either directly  
46.31 or indirectly through the groupwide supervisor, that has determined the information is  
46.32 satisfactory to allow the commissioner to comply with the NAIC group supervision approach,  
46.33 as detailed in the NAIC Financial Analysis Handbook; and

48.6 one percent or less of an insurer's admitted assets as of the 31st day of December next  
48.7 preceding shall not be deemed material for purposes of this section. The definition of  
48.8 materiality provided in this subdivision does not apply for purposes of the group capital  
48.9 calculation or the NAIC liquidity stress test framework.

48.10 Sec. 19. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to  
48.11 read:

48.12 Subd. 11b. **Group capital calculation.** (a) Except as otherwise provided in this paragraph,  
48.13 the ultimate controlling person of every insurer subject to registration must concurrently  
48.14 file with the registration an annual group capital calculation as directed by the **lead state**  
48.15 **insurance** commissioner. The report must be completed in accordance with the NAIC group  
48.16 capital calculation instructions, which may permit the **lead state insurance** commissioner  
48.17 to allow a controlling person that is not the ultimate controlling person to file the group  
48.18 capital calculation. The report must be filed with the **lead state insurance** commissioner **of**  
48.19 **the insurance holding company system**, as determined by the commissioner in accordance  
48.20 with the procedures within the Financial Analysis Handbook adopted by the NAIC. The  
48.21 following insurance holding company systems are exempt from filing the group capital  
48.22 calculation:

48.23 (1) an insurance holding company system that (i) has only one insurer within the insurance  
48.24 holding company system's holding company structure, (ii) only writes business and is only  
48.25 licensed in the insurance holding company system's domestic state, and (iii) assumes no  
48.26 business from any other insurer;

48.27 (2) an insurance holding company system that is required to perform a group capital  
48.28 calculation specified by the United States Federal Reserve Board. The **lead state insurance**  
48.29 commissioner must request the calculation from the Federal Reserve Board under the terms  
48.30 of information sharing agreements in effect. If the Federal Reserve Board is unable to share  
48.31 the calculation with the **lead state insurance** commissioner, the insurance holding company  
48.32 system is not exempt from the group capital calculation filing;

48.33 (3) an insurance holding company system whose non-United States groupwide supervisor  
48.34 is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b,  
49.1 that recognizes the United States state regulatory approach to group supervision and group  
49.2 capital; or

49.3 (4) an insurance holding company system:

49.4 (i) that provides information to the **lead state insurance** commissioner that meets the  
49.5 requirements for accreditation under the NAIC financial standards and accreditation program,  
49.6 either directly or indirectly through the groupwide supervisor, that has determined the  
49.7 information is satisfactory to allow the **lead state insurance** commissioner to comply with  
49.8 the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook;  
49.9 and

47.1 (ii) whose non-United States groupwide supervisor that is not in a reciprocal jurisdiction  
47.2 recognizes and accepts, as specified by the commissioner by rule, the group capital  
47.3 calculation as the worldwide group capital assessment for United States insurance groups  
47.4 that operate in that jurisdiction.

47.5 (b) Notwithstanding paragraph (a), clauses (3) and (4), a commissioner must require the  
47.6 group capital calculation for the United States operations of any non-United States based  
47.7 insurance holding company system where, after any necessary consultation with other  
47.8 supervisors or officials, requiring the group capital calculation is deemed appropriate by  
47.9 the commissioner for prudential oversight and solvency monitoring purposes or for ensuring  
47.10 the competitiveness of the insurance marketplace.

47.11 (c) Notwithstanding the exemptions from filing the group capital calculation under  
47.12 paragraph (a), the commissioner may exempt the ultimate controlling person from filing  
47.13 the annual group capital calculation or accept a limited group capital filing or report in  
47.14 accordance with criteria specified by the commissioner by rule.

47.15 (d) If the commissioner determines that an insurance holding company system no longer  
47.16 meets one or more of the requirements for an exemption from filing the group capital  
47.17 calculation under this subdivision, the insurance holding company system must file the  
47.18 group capital calculation at the next annual filing date unless given an extension by the  
47.19 commissioner based on reasonable grounds shown.

47.20 Sec. 13. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to  
47.21 read:

47.22 Subd. 11c. **Liquidity stress test.** (a) The ultimate controlling person of every insurer  
47.23 subject to registration and also scoped into the NAIC liquidity stress test framework must  
47.24 file the results of a specific year's liquidity stress test. The filing must be made to the  
47.25 commissioner, as determined by the procedures within the Financial Analysis Handbook  
47.26 adopted by the NAIC.

47.27 (b) The NAIC liquidity stress test framework includes scope criteria applicable to a  
47.28 specific data year. The scope criteria must be reviewed at least annually by the NAIC  
47.29 Financial Stability Task Force or the NAIC Financial Stability Task Force's successor. Any  
47.30 change made to the NAIC liquidity stress test framework or to the data year for which the  
47.31 scope criteria must be measured is effective January 1 of the year following the calendar  
47.32 year in which the change is adopted. An insurer meeting at least one threshold of the scope  
47.33 criteria is scoped into the NAIC liquidity stress test framework for the specified data year  
47.34 unless the commissioner, in consultation with the NAIC Financial Stability Task Force or  
48.1 the NAIC Financial Stability Task Force's successor, determines the insurer should not be  
48.2 scoped into the framework for that data year. An insurer that does not trigger at least one  
48.3 threshold of the scope criteria is scoped out of the NAIC liquidity stress test framework for  
48.4 the specified data year unless the commissioner, in consultation with the NAIC Financial

49.10 (ii) whose non-United States groupwide supervisor that is not in a reciprocal jurisdiction  
49.11 recognizes and accepts, as specified by the commissioner in an administrative rule, the  
49.12 group capital calculation as the worldwide group capital assessment for United States  
49.13 insurance groups that operate in that jurisdiction.

49.14 (b) Notwithstanding paragraph (a), clauses (3) and (4), a lead state insurance  
49.15 commissioner must require the group capital calculation for the United States operations  
49.16 of any non-United States based insurance holding company system where, after any necessary  
49.17 consultation with other supervisors or officials, requiring the group capital calculation is  
49.18 deemed appropriate by the lead state insurance commissioner for prudential oversight and  
49.19 solvency monitoring purposes or for ensuring the competitiveness of the insurance  
49.20 marketplace.

49.21 (c) Notwithstanding the exemptions from filing the group capital calculation under  
49.22 paragraph (a), the lead state insurance commissioner may exempt the ultimate controlling  
49.23 person from filing the annual group capital calculation or accept a limited group capital  
49.24 filing or report in accordance with criteria specified by the commissioner in an administrative  
49.25 rule.

49.26 (d) If the lead state insurance commissioner determines that an insurance holding company  
49.27 system no longer meets one or more of the requirements for an exemption from filing the  
49.28 group capital calculation under this subdivision, the insurance holding company system  
49.29 must file the group capital calculation at the next annual filing date unless given an extension  
49.30 by the lead state insurance commissioner based on reasonable grounds shown.

50.1 Sec. 20. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to  
50.2 read:

50.3 Subd. 11c. **Liquidity stress test.** (a) The ultimate controlling person of every insurer  
50.4 subject to registration and also scoped into the NAIC liquidity stress test framework must  
50.5 file the results of a specific year's liquidity stress test. The filing must be made to the lead  
50.6 state insurance commissioner of the insurance holding company system, as determined by  
50.7 the procedures within the Financial Analysis Handbook adopted by the NAIC.

50.8 (b) The NAIC liquidity stress test framework includes scope criteria applicable to a  
50.9 specific data year. The scope criteria must be reviewed at least annually by the NAIC  
50.10 Financial Stability Task Force or the NAIC Financial Stability Task Force's successor. Any  
50.11 change made to the NAIC liquidity stress test framework or to the data year for which the  
50.12 scope criteria must be measured is effective January 1 of the year following the calendar  
50.13 year in which the change is adopted. An insurer meeting at least one threshold of the scope  
50.14 criteria is scoped into the NAIC liquidity stress test framework for the specified data year  
50.15 unless the lead state insurance commissioner, in consultation with the NAIC Financial  
50.16 Stability Task Force or the NAIC Financial Stability Task Force's successor, determines  
50.17 the insurer should not be scoped into the framework for that data year. An insurer that does  
50.18 not trigger at least one threshold of the scope criteria is scoped out of the NAIC liquidity  
50.19 stress test framework for the specified data year unless the lead state insurance commissioner,

48.5 Stability Task Force or the NAIC Financial Stability Task Force's successor, determines  
48.6 the insurer should be scoped into the framework for the specified data year.

48.7 (c) The commissioner and other state insurance commissioners must avoid scoping  
48.8 insurers in and out of the NAIC liquidity stress test framework on a frequent basis. The  
48.9 commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC  
48.10 Financial Stability Task Force's successor, must assess irregular scope status as part of an  
48.11 insurer's determination.

48.12 (d) The performance of and filing of the results from a specific year's liquidity stress  
48.13 test must comply with (1) the NAIC liquidity stress test framework's instructions and  
48.14 reporting templates for the specific year, and (2) any commissioner determinations, in  
48.15 consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability  
48.16 Task Force's successor, provided within the framework.

48.17 Sec. 14. **[60D.195] GROUP CAPITAL CALCULATION.**

48.18 Subdivision 1. **Annual group capital calculation; exemption permitted.** The  
48.19 commissioner may exempt the ultimate controlling person from filing the annual group  
48.20 capital calculation if the commissioner makes a determination that the insurance holding  
48.21 company system meets the following criteria:

48.22 (1) has annual direct written and unaffiliated assumed premium, including international  
48.23 direct and assumed premium but excluding premiums reinsured with the Federal Crop  
48.24 Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000;

48.25 (2) has no insurers within the insurance holding company's structure that are domiciled  
48.26 outside of the United States or a United States territory;

48.27 (3) has no banking, depository, or other financial entity that is subject to an identified  
48.28 regulatory capital framework within the insurance holding company's structure;

48.29 (4) attests that no material changes in the transactions between insurers and noninsurers  
48.30 in the group have occurred since the last annual group capital filing; and

48.31 (5) the noninsurers within the holding company system do not pose a material financial  
48.32 risk to the insurer's ability to honor policyholder obligations.

49.1 Subd. 2. **Limited group capital filing.** The commissioner may accept a limited group  
49.2 capital filing in lieu of the group capital calculation if:

49.3 (1) the insurance holding company system has annual direct written and unaffiliated  
49.4 assumed premium, including international direct and assumed premium but excluding  
49.5 premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program,  
49.6 of less than \$1,000,000,000; and

50.20 in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability  
50.21 Task Force's successor, determines the insurer should be scoped into the framework for the  
50.22 specified data year.

50.23 (c) The commissioner and other state insurance commissioners must avoid scoping  
50.24 insurers in and out of the NAIC liquidity stress test framework on a frequent basis. The **lead**  
50.25 **state insurance** commissioner, in consultation with the NAIC Financial Stability Task Force  
50.26 or the NAIC Financial Stability Task Force's successor, must assess irregular scope status  
50.27 as part of an insurer's determination.

50.28 (d) The performance of and filing of the results from a specific year's liquidity stress  
50.29 test must comply with (1) the NAIC liquidity stress test framework's instructions and  
50.30 reporting templates for the specific year, and (2) any **lead state insurance** commissioner  
50.31 determinations, in consultation with the NAIC Financial Stability Task Force or the NAIC  
50.32 Financial Stability Task Force's successor, provided within the framework.

51.1 Sec. 21. **[60D.195] GROUP CAPITAL CALCULATION.**

51.2 Subdivision 1. **Annual group capital calculation; exemption permitted.** The **lead**  
51.3 **state insurance** commissioner may exempt the ultimate controlling person from filing the  
51.4 annual group capital calculation if the **lead state insurance** commissioner makes a  
51.5 determination that the insurance holding company system meets the following criteria:

51.6 (1) has annual direct written and unaffiliated assumed premium, including international  
51.7 direct and assumed premium but excluding premiums reinsured with the Federal Crop  
51.8 Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000;

51.9 (2) has no insurers within the insurance holding company's structure that are domiciled  
51.10 outside of the United States or a United States territory;

51.11 (3) has no banking, depository, or other financial entity that is subject to an identified  
51.12 regulatory capital framework within the insurance holding company's structure;

51.13 (4) attests that no material changes in the transactions between insurers and noninsurers  
51.14 in the group have occurred since the last annual group capital filing; and

51.15 (5) the noninsurers within the holding company system do not pose a material financial  
51.16 risk to the insurer's ability to honor policyholder obligations.

51.17 Subd. 2. **Limited group capital filing.** The **lead state insurance** commissioner may  
51.18 accept a limited group capital filing in lieu of the group capital calculation if:

51.19 (1) the insurance holding company system has annual direct written and unaffiliated  
51.20 assumed premium, including international direct and assumed premium but excluding  
51.21 premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program,  
51.22 of less than \$1,000,000,000; and



49.7 (2) the insurance holding company system:

49.8 (i) has no insurers within the insurance holding company's structure that are domiciled

49.9 outside of the United States or a United States territory;

49.10 (ii) does not include a banking, depository, or other financial entity that is subject to an

49.11 identified regulatory capital framework; and

49.12 (iii) attests that no material changes in transactions between insurers and noninsurers in

49.13 the group have occurred and the noninsurers within the holding company system do not

49.14 pose a material financial risk to the insurer's ability to honor policyholder obligations.

49.15 Subd. 3. **Previous exemption; required filing.** For an insurance holding company that

49.16 has previously met an exemption with respect to the group capital calculation under

49.17 subdivision 1 or 2, the commissioner may at any time require the ultimate controlling person

49.18 to file an annual group capital calculation, completed in accordance with the NAIC group

49.19 capital calculation instructions, if:

49.20 (1) an insurer within the insurance holding company system is in a risk-based capital

49.21 action level event under section 60A.62 or a similar standard for a non-United States insurer;

49.22 (2) an insurer within the insurance holding company system meets one or more of the

49.23 standards of an insurer deemed to be in hazardous financial condition, as defined under

49.24 section 60E.02, subdivision 5; or

49.25 (3) an insurer within the insurance holding company system otherwise exhibits qualities

49.26 of a troubled insurer, as determined by the commissioner based on unique circumstances,

49.27 including but not limited to the type and volume of business written, ownership and

49.28 organizational structure, federal agency requests, and international supervisor requests.

49.29 Subd. 4. **Non-United States jurisdictions; recognition and acceptance.** A non-United

49.30 States jurisdiction is deemed to recognize and accept the group capital calculation if the

49.31 non-United States jurisdiction:

49.32 (1) with respect to section 60D.19, subdivision 11b, paragraph (a), clause (4):

50.1 (i) recognizes the United States state regulatory approach to group supervision and group

50.2 capital by providing confirmation by a competent regulatory authority in the non-United

50.3 States jurisdiction that insurers and insurance groups whose lead state is accredited by the

50.4 NAIC under the NAIC accreditation program: (A) are subject only to worldwide prudential

50.5 insurance group supervision, including worldwide group governance, solvency and capital,

50.6 and reporting, as applicable, by the lead state; and (B) are not subject to group supervision,

50.7 including worldwide group governance, solvency and capital, and reporting, at the level of

50.8 the worldwide parent undertaking of the insurance or reinsurance group by the non-United

50.9 States jurisdiction; or

51.23 (2) the insurance holding company system:

51.24 (i) has no insurers within the insurance holding company's structure that are domiciled

51.25 outside of the United States or a United States territory;

51.26 (ii) does not include a banking, depository, or other financial entity that is subject to an

51.27 identified regulatory capital framework; and

51.28 (iii) attests that no material changes in transactions between insurers and noninsurers in

51.29 the group have occurred and the noninsurers within the holding company system do not

51.30 pose a material financial risk to the insurer's ability to honor policyholder obligations.

51.31 Subd. 3. **Previous exemption; required filing.** For an insurance holding company that

51.32 has previously met an exemption with respect to the group capital calculation under

52.1 subdivision 1 or 2, the lead state insurance commissioner may at any time require the ultimate

52.2 controlling person to file an annual group capital calculation, completed in accordance with

52.3 the NAIC group capital calculation instructions, if:

52.4 (1) an insurer within the insurance holding company system is in a risk-based capital

52.5 action level event under section 60A.62 or a similar standard for a non-United States insurer;

52.6 (2) an insurer within the insurance holding company system meets one or more of the

52.7 standards of an insurer deemed to be in hazardous financial condition, as defined under

52.8 section 60E.02, subdivision 5; or

52.9 (3) an insurer within the insurance holding company system otherwise exhibits qualities

52.10 of a troubled insurer, as determined by the lead state insurance commissioner based on

52.11 unique circumstances, including but not limited to the type and volume of business written,

52.12 ownership and organizational structure, federal agency requests, and international supervisor

52.13 requests.

52.14 Subd. 4. **Non-United States jurisdictions; recognition and acceptance.** A non-United

52.15 States jurisdiction is deemed to recognize and accept the group capital calculation if the

52.16 non-United States jurisdiction:

52.17 (1) with respect to section 60D.19, subdivision 11b, paragraph (a), clause (4):

52.18 (i) recognizes the United States state regulatory approach to group supervision and group

52.19 capital by providing confirmation by a competent regulatory authority in the non-United

52.20 States jurisdiction that insurers and insurance groups whose lead state is accredited by the

52.21 NAIC under the NAIC accreditation program: (A) are subject only to worldwide prudential

52.22 insurance group supervision, including worldwide group governance, solvency and capital,

52.23 and reporting, as applicable, by the lead state; and (B) are not subject to group supervision,

52.24 including worldwide group governance, solvency and capital, and reporting, at the level of

52.25 the worldwide parent undertaking of the insurance or reinsurance group by the non-United

52.26 States jurisdiction; or



50.10 (ii) if no United States insurance group operates in the non-United States jurisdiction,  
50.11 indicates formally in writing to the lead state with a copy to the International Association  
50.12 of Insurance Supervisors that the group capital calculation is an acceptable international  
50.13 capital standard. The formal indication under this item serves as the documentation otherwise  
50.14 required under item (i); and

50.15 (2) provides confirmation by a competent regulatory authority in the non-United States  
50.16 jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or  
50.17 affiliated entities, if applicable, must be provided to the commissioner in accordance with  
50.18 a memorandum of understanding or similar document between the commissioner and the  
50.19 non-United States jurisdiction, including but not limited to the International Association of  
50.20 Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral  
50.21 memoranda of understanding coordinated by the NAIC. The commissioner must determine,  
50.22 in consultation with the NAIC committee process, if the information sharing agreement  
50.23 requirements are effective.

50.24 Subd. 5. **Non-United States jurisdiction; publication.** (a) A list of non-United States  
50.25 jurisdictions that recognize and accept the group capital calculation under section 60D.19,  
50.26 subdivision 11b, paragraph (a), clause (4), must be published through the NAIC committee  
50.27 process to assist the commissioner determine what insurers must file an annual group capital  
50.28 calculation. The list must clarify the situations in which a jurisdiction is exempt from filing  
50.29 under section 60D.19, subdivision 11b, paragraph (a), clause (4). To assist with a  
50.30 determination under section 60D.19, subdivision 11b, paragraph (b), the list must also  
50.31 identify whether a jurisdiction that is exempt under section 60D.19, subdivision 11b,  
50.32 paragraph (a), clause (3) or (4), requires a group capital filing for any United States insurance  
50.33 group's operations in the non-United States jurisdiction.

50.34 (b) For a non-United States jurisdiction where no United States insurance group operates,  
50.35 the confirmation provided to comply with subdivision 4, clause (1), item (ii), serves as  
51.1 support for a recommendation to be published that the non-United States jurisdiction is a  
51.2 jurisdiction that recognizes and accepts the group capital calculation pursuant to the NAIC  
51.3 committee process.

51.4 (c) If the commissioner makes a determination pursuant to section 60D.19, subdivision  
51.5 11b, that differs from the NAIC list, the commissioner must provide thoroughly documented  
51.6 justification to the NAIC and other states.

51.7 (d) Upon a determination by the commissioner that a non-United States jurisdiction no  
51.8 longer meets one or more of the requirements to recognize and accept the group capital  
51.9 calculation, the commissioner may provide a recommendation to the NAIC that the  
51.10 non-United States jurisdiction be removed from the list of jurisdictions that recognize and  
51.11 accept the group capital calculation.

52.27 (ii) if no United States insurance group operates in the non-United States jurisdiction,  
52.28 indicates formally in writing to the lead state with a copy to the International Association  
52.29 of Insurance Supervisors that the group capital calculation is an acceptable international  
52.30 capital standard. The formal indication under this item serves as the documentation otherwise  
52.31 required under item (i); and

52.32 (2) provides confirmation by a competent regulatory authority in the non-United States  
52.33 jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or  
53.1 affiliated entities, if applicable, must be provided to the **lead state insurance** commissioner  
53.2 in accordance with a memorandum of understanding or similar document between the  
53.3 commissioner and the non-United States jurisdiction, including but not limited to the  
53.4 International Association of Insurance Supervisors Multilateral Memorandum of  
53.5 Understanding or other multilateral memoranda of understanding coordinated by the NAIC.  
53.6 The commissioner must determine, in consultation with the NAIC committee process, if  
53.7 the information sharing agreement requirements are effective.

53.8 Subd. 5. **Non-United States jurisdiction; publication.** (a) A list of non-United States  
53.9 jurisdictions that recognize and accept the group capital calculation under section 60D.19,  
53.10 subdivision 11b, paragraph (a), clause (4), must be published through the NAIC committee  
53.11 process to assist the **lead state insurance** commissioner determine what insurers must file  
53.12 an annual group capital calculation. The list must clarify the situations in which a jurisdiction  
53.13 is exempt from filing under section 60D.19, subdivision 11b, paragraph (a), clause (4). To  
53.14 assist with a determination under section 60D.19, subdivision 11b, paragraph (b), the list  
53.15 must also identify whether a jurisdiction that is exempt under section 60D.19, subdivision  
53.16 11b, paragraph (a), clause (3) or (4), requires a group capital filing for any United States  
53.17 insurance group's operations in the non-United States jurisdiction.

53.18 (b) For a non-United States jurisdiction where no United States insurance group operates,  
53.19 the confirmation provided to comply with subdivision 4, clause (1), item (ii), serves as  
53.20 support for a recommendation to be published that the non-United States jurisdiction is a  
53.21 jurisdiction that recognizes and accepts the group capital calculation pursuant to the NAIC  
53.22 committee process.

53.23 (c) If the **lead state insurance** commissioner makes a determination pursuant to section  
53.24 60D.19, subdivision 11b, that differs from the NAIC list, the **lead state insurance**  
53.25 commissioner must provide thoroughly documented justification to the NAIC and other  
53.26 states.

53.27 (d) Upon a determination by the **lead state insurance** commissioner that a non-United  
53.28 States jurisdiction no longer meets one or more of the requirements to recognize and accept  
53.29 the group capital calculation, the **lead state insurance** commissioner may provide a  
53.30 recommendation to the NAIC that the non-United States jurisdiction be removed from the  
53.31 list of jurisdictions that recognize and accept the group capital calculation.

51.12 Sec. 15. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

51.13 Subdivision 1. **Transactions within an insurance holding company system.** (a)

51.14 Transactions within an insurance holding company system to which an insurer subject to  
51.15 registration is a party are subject to the following standards:

51.16 (1) the terms shall be fair and reasonable;

51.17 (2) agreements for cost-sharing services and management shall include the provisions  
51.18 required by rule issued by the commissioner;

51.19 (3) charges or fees for services performed shall be reasonable;

51.20 (4) expenses incurred and payment received shall be allocated to the insurer in conformity  
51.21 with customary insurance accounting practices consistently applied;

51.22 (5) the books, accounts, and records of each party to all such transactions shall be so  
51.23 maintained as to clearly and accurately disclose the nature and details of the transactions  
51.24 including this accounting information as is necessary to support the reasonableness of the  
51.25 charges or fees to the respective parties; ~~and~~

51.26 (6) the insurer's surplus as regards policyholders following any dividends or distributions  
51.27 to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities  
51.28 and adequate to its financial needs;

51.29 (7) if the commissioner determines an insurer subject to this chapter is in a hazardous  
51.30 financial condition, as defined under section 60E.02, subdivision 5, or a condition that would  
51.31 be grounds for supervision, conservation, or a delinquency proceeding, the commissioner  
51.32 may require the insurer to secure and maintain either a deposit, held by the commissioner,  
52.1 or a bond, as determined by the insurer at the insurer's discretion, to protect the insurer for  
52.2 the duration of the contract, agreement, or the existence of the condition for which the  
52.3 commissioner required the deposit or bond. When determining whether a deposit or bond  
52.4 is required, the commissioner must consider whether concerns exist with respect to the  
52.5 affiliated person's ability to fulfill the contract or agreement if the insurer entered into  
52.6 liquidation. Once the insurer is deemed to be in a hazardous financial condition or a condition  
52.7 that would be grounds for supervision, conservation, or a delinquency proceeding, and a  
52.8 deposit or bond is necessary, the commissioner may determine the amount of the deposit  
52.9 or bond, not to exceed the value of the contract or agreement in any one year, and whether  
52.10 the deposit or bond is required for a single contract, multiple contracts, or a contract only  
52.11 with a specific person or persons;

52.12 (8) all of an insurer's records and data held by an affiliate are and remain the property  
52.13 of the insurer, are subject to control of the insurer, are identifiable, and are segregated or  
52.14 readily capable of segregation, at no additional cost to the insurer, from all other persons'  
52.15 records and data. For purposes of this clause, records and data include all records and data  
52.16 that are otherwise the property of the insurer in whatever form maintained, including but  
52.17 not limited to claims and claim files, policyholder lists, application files, litigation files,

54.1 Sec. 22. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

54.2 Subdivision 1. **Transactions within an insurance holding company system.** (a)

54.3 Transactions within an insurance holding company system to which an insurer subject to  
54.4 registration is a party are subject to the following standards:

54.5 (1) the terms shall be fair and reasonable;

54.6 (2) agreements for cost-sharing services and management shall include the provisions  
54.7 required by rule issued by the commissioner;

54.8 (3) charges or fees for services performed shall be reasonable;

54.9 (4) expenses incurred and payment received shall be allocated to the insurer in conformity  
54.10 with customary insurance accounting practices consistently applied;

54.11 (5) the books, accounts, and records of each party to all such transactions shall be so  
54.12 maintained as to clearly and accurately disclose the nature and details of the transactions  
54.13 including this accounting information as is necessary to support the reasonableness of the  
54.14 charges or fees to the respective parties; ~~and~~

54.15 (6) the insurer's surplus as regards policyholders following any dividends or distributions  
54.16 to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities  
54.17 and adequate to its financial needs;

54.18 (7) if the commissioner determines an insurer subject to this chapter is in a hazardous  
54.19 financial condition, as defined under section 60E.02, subdivision 5, or a condition that would  
54.20 be grounds for supervision, conservation, or a delinquency proceeding, the commissioner  
54.21 may require the insurer to secure and maintain either a deposit, held by the commissioner,  
54.22 or a bond, as determined by the insurer at the insurer's discretion, to protect the insurer for  
54.23 the duration of the contract, agreement, or the existence of the condition for which the  
54.24 commissioner required the deposit or bond. When determining whether a deposit or bond  
54.25 is required, the commissioner must consider whether concerns exist with respect to the  
54.26 affiliated person's ability to fulfill the contract or agreement if the insurer entered into  
54.27 liquidation. Once the insurer is deemed to be in a hazardous financial condition or a condition  
54.28 that would be grounds for supervision, conservation, or a delinquency proceeding, and a  
54.29 deposit or bond is necessary, the commissioner may determine the amount of the deposit  
54.30 or bond, not to exceed the value of the contract or agreement in any one year, and whether  
54.31 the deposit or bond is required for a single contract, multiple contracts, or a contract only  
54.32 with a specific person or persons;

55.1 (8) all of an insurer's records and data held by an affiliate are and remain the property  
55.2 of the insurer, are subject to control of the insurer, are identifiable, and are segregated or  
55.3 readily capable of segregation, at no additional cost to the insurer, from all other persons'  
55.4 records and data. For purposes of this clause, records and data include all records and data  
55.5 that are otherwise the property of the insurer in whatever form maintained, including but  
55.6 not limited to claims and claim files, policyholder lists, application files, litigation files,

52.18 premium records, rate books, underwriting manuals, personnel records, financial records,  
52.19 or similar records within the affiliate's possession, custody, or control. At the request of the  
52.20 insurer, the affiliate must provide that the receiver may (i) obtain a complete set of all records  
52.21 of any type that pertain to the insurer's business, (ii) obtain access to the operating systems  
52.22 on which the data are maintained, (iii) obtain the software that runs the operating systems  
52.23 either through assumption of licensing agreements or otherwise, and (iv) restrict the use of  
52.24 the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate  
52.25 must provide a waiver of any landlord lien or other encumbrance to provide the insurer  
52.26 access to all records and data in the event the affiliate defaults under a lease or other  
52.27 agreement; and

52.28 (9) premiums or other funds belonging to the insurer that are collected or held by an  
52.29 affiliate are the exclusive property of the insurer and are subject to the control of the insurer.  
52.30 Any right of offset in the event an insurer is placed into receivership is subject to chapter  
52.31 576.

52.32 (b) The following transactions involving a domestic insurer and any person in its  
52.33 insurance holding company system, including amendments or modifications of affiliate  
52.34 agreements previously filed pursuant to this section, which are subject to any materiality  
52.35 standards contained in clauses (1) to (7), may not be entered into unless the insurer has  
53.1 notified the commissioner in writing of its intention to enter into the transaction at least 30  
53.2 days prior thereto, or a shorter period the commissioner permits, and the commissioner has  
53.3 not disapproved it within this period. The notice for amendments or modifications must  
53.4 include the reasons for the change and the financial impact on the domestic insurer. Informal  
53.5 notice must be reported, within 30 days after a termination of a previously filed agreement,  
53.6 to the commissioner for determination of the type of filing required, if any:

53.7 (1) sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments  
53.8 provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the  
53.9 lesser of three percent of the insurer's admitted assets, or 25 percent of surplus as regards  
53.10 policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets;  
53.11 each as of the 31st day of December next preceding;

53.12 (2) loans or extensions of credit to any person who is not an affiliate, where the insurer  
53.13 makes the loans or extensions of credit with the agreement or understanding that the proceeds  
53.14 of the transactions, in whole or in substantial part, are to be used to make loans or extensions  
53.15 of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer  
53.16 making such loans or extensions of credit provided the transactions are equal to or exceed:  
53.17 (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets  
53.18 or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three  
53.19 percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

53.20 (3) reinsurance agreements or modifications to those agreements, including: (i) all  
53.21 reinsurance pooling agreements; and (ii) agreements in which the reinsurance premium or  
53.22 a change in the insurer's liabilities, or the projected reinsurance premium or a change in the  
53.23 insurer's liabilities in any of the next three years, equals or exceeds five percent of the

55.7 premium records, rate books, underwriting manuals, personnel records, financial records,  
55.8 or similar records within the affiliate's possession, custody, or control. At the request of the  
55.9 insurer, the affiliate must provide that the receiver may (i) obtain a complete set of all records  
55.10 of any type that pertain to the insurer's business, (ii) obtain access to the operating systems  
55.11 on which the data are maintained, (iii) obtain the software that runs the operating systems  
55.12 either through assumption of licensing agreements or otherwise, and (iv) restrict the use of  
55.13 the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate  
55.14 must provide a waiver of any landlord lien or other encumbrance to provide the insurer  
55.15 access to all records and data in the event the affiliate defaults under a lease or other  
55.16 agreement; and

55.17 (9) premiums or other funds belonging to the insurer that are collected or held by an  
55.18 affiliate are the exclusive property of the insurer and are subject to the control of the insurer.  
55.19 Any right of offset in the event an insurer is placed into receivership is subject to chapter  
55.20 576.

55.21 (b) The following transactions involving a domestic insurer and any person in its  
55.22 insurance holding company system, including amendments or modifications of affiliate  
55.23 agreements previously filed pursuant to this section, which are subject to any materiality  
55.24 standards contained in clauses (1) to (7), may not be entered into unless the insurer has  
55.25 notified the commissioner in writing of its intention to enter into the transaction at least 30  
55.26 days prior thereto, or a shorter period the commissioner permits, and the commissioner has  
55.27 not disapproved it within this period. The notice for amendments or modifications must  
55.28 include the reasons for the change and the financial impact on the domestic insurer. Informal  
55.29 notice must be reported, within 30 days after a termination of a previously filed agreement,  
55.30 to the commissioner for determination of the type of filing required, if any:

55.31 (1) sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments  
55.32 provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the  
55.33 lesser of three percent of the insurer's admitted assets, or 25 percent of surplus as regards  
55.34 policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets;  
55.35 each as of the 31st day of December next preceding;

56.1 (2) loans or extensions of credit to any person who is not an affiliate, where the insurer  
56.2 makes the loans or extensions of credit with the agreement or understanding that the proceeds  
56.3 of the transactions, in whole or in substantial part, are to be used to make loans or extensions  
56.4 of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer  
56.5 making such loans or extensions of credit provided the transactions are equal to or exceed:  
56.6 (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets  
56.7 or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three  
56.8 percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

56.9 (3) reinsurance agreements or modifications to those agreements, including: (i) all  
56.10 reinsurance pooling agreements; and (ii) agreements in which the reinsurance premium or  
56.11 a change in the insurer's liabilities, or the projected reinsurance premium or a change in the  
56.12 insurer's liabilities in any of the next three years, equals or exceeds five percent of the

53.24 insurer's surplus as regards policyholders, as of the 31st day of December next preceding,  
53.25 including those agreements which may require as consideration the transfer of assets from  
53.26 an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and  
53.27 nonaffiliate that any portion of ~~such~~ the assets will be transferred to one or more affiliates  
53.28 of the insurer;

53.29 (4) all management agreements, service contracts, tax allocation agreements, guarantees,  
53.30 and all cost-sharing arrangements;

53.31 (5) guarantees when made by a domestic insurer; provided, however, that a guarantee  
53.32 which is quantifiable as to amount is not subject to the notice requirements of this paragraph  
53.33 unless it exceeds the lesser of one-half of one percent of the insurer's admitted assets or ten  
53.34 percent of surplus as regards policyholders as of the 31st day of December next preceding.  
54.1 Further, all guarantees which are not quantifiable as to amount are subject to the notice  
54.2 requirements of this paragraph;

54.3 (6) direct or indirect acquisitions or investments in a person that controls the insurer or  
54.4 in an affiliate of the insurer in an amount which, together with its present holdings in the  
54.5 investments, exceeds 2-1/2 percent of the insurer's surplus to policyholders. Direct or indirect  
54.6 acquisitions or investments in subsidiaries acquired pursuant to section 60D.16, as otherwise  
54.7 authorized under this chapter, or in nonsubsidiary insurance affiliates that are subject to the  
54.8 provisions of sections 60D.15 to 60D.29, are exempt from this requirement; and

54.9 (7) any material transactions, specified by regulation, which the commissioner determines  
54.10 may adversely affect the interests of the insurer's policyholders.

54.11 Nothing contained in this section authorizes or permits any transactions that, in the case  
54.12 of an insurer not a member of the same insurance holding company system, would be  
54.13 otherwise contrary to law.

54.14 (c) A domestic insurer may not enter into transactions which are part of a plan or series  
54.15 of like transactions with persons within the insurance holding company system if the purpose  
54.16 of those separate transactions is to avoid the statutory threshold amount and thus avoid the  
54.17 review that would occur otherwise. If the commissioner determines that the separate  
54.18 transactions were entered into over any 12-month period for the purpose, the commissioner  
54.19 may exercise the authority under section 60D.25.

54.20 (d) The commissioner, in reviewing transactions pursuant to paragraph (b), shall consider  
54.21 whether the transactions comply with the standards set forth in paragraph (a), and whether  
54.22 they may adversely affect the interests of policyholders.

54.23 (e) The commissioner shall be notified within 30 days of any investment of the domestic  
54.24 insurer in any one corporation if the total investment in the corporation by the insurance  
54.25 holding company system exceeds ten percent of the corporation's voting securities.

54.26 (f) An affiliate that is party to an agreement or contract with a domestic insurer that is  
54.27 subject to paragraph (b), clause (4), is subject to the jurisdiction of any supervision, seizure,

56.13 insurer's surplus as regards policyholders, as of the 31st day of December next preceding,  
56.14 including those agreements which may require as consideration the transfer of assets from  
56.15 an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and  
56.16 nonaffiliate that any portion of ~~such~~ the assets will be transferred to one or more affiliates  
56.17 of the insurer;

56.18 (4) all management agreements, service contracts, tax allocation agreements, guarantees,  
56.19 and all cost-sharing arrangements;

56.20 (5) guarantees when made by a domestic insurer; provided, however, that a guarantee  
56.21 which is quantifiable as to amount is not subject to the notice requirements of this paragraph  
56.22 unless it exceeds the lesser of one-half of one percent of the insurer's admitted assets or ten  
56.23 percent of surplus as regards policyholders as of the 31st day of December next preceding.  
56.24 Further, all guarantees which are not quantifiable as to amount are subject to the notice  
56.25 requirements of this paragraph;

56.26 (6) direct or indirect acquisitions or investments in a person that controls the insurer or  
56.27 in an affiliate of the insurer in an amount which, together with its present holdings in the  
56.28 investments, exceeds 2-1/2 percent of the insurer's surplus to policyholders. Direct or indirect  
56.29 acquisitions or investments in subsidiaries acquired pursuant to section 60D.16, as otherwise  
56.30 authorized under this chapter, or in nonsubsidiary insurance affiliates that are subject to the  
56.31 provisions of sections 60D.15 to 60D.29, are exempt from this requirement; and

56.32 (7) any material transactions, specified by regulation, which the commissioner determines  
56.33 may adversely affect the interests of the insurer's policyholders.

57.1 Nothing contained in this section authorizes or permits any transactions that, in the case  
57.2 of an insurer not a member of the same insurance holding company system, would be  
57.3 otherwise contrary to law.

57.4 (c) A domestic insurer may not enter into transactions which are part of a plan or series  
57.5 of like transactions with persons within the insurance holding company system if the purpose  
57.6 of those separate transactions is to avoid the statutory threshold amount and thus avoid the  
57.7 review that would occur otherwise. If the commissioner determines that the separate  
57.8 transactions were entered into over any 12-month period for the purpose, the commissioner  
57.9 may exercise the authority under section 60D.25.

57.10 (d) The commissioner, in reviewing transactions pursuant to paragraph (b), shall consider  
57.11 whether the transactions comply with the standards set forth in paragraph (a), and whether  
57.12 they may adversely affect the interests of policyholders.

57.13 (e) The commissioner shall be notified within 30 days of any investment of the domestic  
57.14 insurer in any one corporation if the total investment in the corporation by the insurance  
57.15 holding company system exceeds ten percent of the corporation's voting securities.

57.16 (f) An affiliate that is party to an agreement or contract with a domestic insurer that is  
57.17 subject to paragraph (b), clause (4), is subject to the jurisdiction of any supervision, seizure,

54.28 conservatorship, or receivership proceedings against the insurer and to the authority of a  
54.29 supervisor, conservator, rehabilitator, or liquidator for the insurer appointed pursuant to  
54.30 chapters 60B and 576 for the purpose of interpreting, enforcing, and overseeing the affiliate's  
54.31 obligations under the agreement or contract to perform services for the insurer that are: (1)  
54.32 an integral part of the insurer's operations, including but not limited to management,  
54.33 administrative, accounting, data processing, marketing, underwriting, claims handling,  
54.34 investment, or any other similar functions; or (2) essential to the insurer's ability to fulfill  
55.1 the insurer's obligations under insurance policies. The commissioner may require that an  
55.2 agreement or contract pursuant to paragraph (b), clause (4), to provide the services described  
55.3 in clauses (1) and (2) must specify that the affiliate consents to the jurisdiction as provided  
55.4 under this paragraph.

55.5 Sec. 16. Minnesota Statutes 2024, section 60D.217, is amended to read:

55.6 **60D.217 GROUPWIDE SUPERVISION OF INTERNATIONALLY ACTIVE**  
55.7 **INSURANCE GROUPS.**

55.8 (a) The commissioner is authorized to act as the groupwide supervisor for any  
55.9 internationally active insurance group in accordance with the provisions of this section.  
55.10 However, the commissioner may otherwise acknowledge another regulatory official as the  
55.11 groupwide supervisor where the internationally active insurance group:

55.12 (1) does not have substantial insurance operations in the United States;

55.13 (2) has substantial insurance operations in the United States, but not in this state; or

55.14 (3) has substantial insurance operations in the United States and this state, but the  
55.15 commissioner has determined pursuant to the factors set forth in ~~subsections~~ paragraphs (b)  
55.16 and (f) that the other regulatory official is the appropriate groupwide supervisor.

55.17 An insurance holding company system that does not otherwise qualify as an internationally  
55.18 active insurance group may request that the commissioner make a determination or  
55.19 acknowledgment as to a groupwide supervisor pursuant to this section.

55.20 (b) In cooperation with other state, federal, and international regulatory agencies, the  
55.21 commissioner ~~will~~ must identify a single groupwide supervisor for an internationally active  
55.22 insurance group. The commissioner may determine that the commissioner is the appropriate  
55.23 groupwide supervisor for an internationally active insurance group that conducts substantial  
55.24 insurance operations concentrated in this state. However, the commissioner may acknowledge  
55.25 that a regulatory official from another jurisdiction is the appropriate groupwide supervisor  
55.26 for the internationally active insurance group. The commissioner shall consider the following  
55.27 factors when making a determination or acknowledgment under this ~~subsection~~ paragraph:

55.28 (1) the place of domicile of the insurers within the internationally active insurance group  
55.29 that hold the largest share of the group's written premiums, assets, or liabilities;

55.30 (2) the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance  
55.31 holding company system of the internationally active insurance group;

57.18 conservatorship, or receivership proceedings against the insurer and to the authority of a  
57.19 supervisor, conservator, rehabilitator, or liquidator for the insurer appointed pursuant to  
57.20 chapters 60B and 576 for the purpose of interpreting, enforcing, and overseeing the affiliate's  
57.21 obligations under the agreement or contract to perform services for the insurer that are: (1)  
57.22 an integral part of the insurer's operations, including but not limited to management,  
57.23 administrative, accounting, data processing, marketing, underwriting, claims handling,  
57.24 investment, or any other similar functions; or (2) essential to the insurer's ability to fulfill  
57.25 the insurer's obligations under insurance policies. The commissioner may require that an  
57.26 agreement or contract pursuant to paragraph (b), clause (4), to provide the services described  
57.27 in clauses (1) and (2) must specify that the affiliate consents to the jurisdiction as provided  
57.28 under this paragraph.

57.29 Sec. 23. Minnesota Statutes 2024, section 60D.217, is amended to read:

57.30 **60D.217 GROUPWIDE SUPERVISION OF INTERNATIONALLY ACTIVE**  
57.31 **INSURANCE GROUPS.**

57.32 (a) The commissioner is authorized to act as the groupwide supervisor for any  
57.33 internationally active insurance group in accordance with the provisions of this section.  
58.1 However, the commissioner may otherwise acknowledge another regulatory official as the  
58.2 groupwide supervisor where the internationally active insurance group:

58.3 (1) does not have substantial insurance operations in the United States;

58.4 (2) has substantial insurance operations in the United States, but not in this state; or

58.5 (3) has substantial insurance operations in the United States and this state, but the  
58.6 commissioner has determined pursuant to the factors set forth in ~~subsections~~ paragraphs (b)  
58.7 and (f) that the other regulatory official is the appropriate groupwide supervisor.

58.8 An insurance holding company system that does not otherwise qualify as an internationally  
58.9 active insurance group may request that the commissioner make a determination or  
58.10 acknowledgment as to a groupwide supervisor pursuant to this section.

58.11 (b) In cooperation with other state, federal, and international regulatory agencies, the  
58.12 commissioner ~~will~~ must identify a single groupwide supervisor for an internationally active  
58.13 insurance group. The commissioner may determine that the commissioner is the appropriate  
58.14 groupwide supervisor for an internationally active insurance group that conducts substantial  
58.15 insurance operations concentrated in this state. However, the commissioner may acknowledge  
58.16 that a regulatory official from another jurisdiction is the appropriate groupwide supervisor  
58.17 for the internationally active insurance group. The commissioner shall consider the following  
58.18 factors when making a determination or acknowledgment under this ~~subsection~~ paragraph:

58.19 (1) the place of domicile of the insurers within the internationally active insurance group  
58.20 that hold the largest share of the group's written premiums, assets, or liabilities;

58.21 (2) the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance  
58.22 holding company system of the internationally active insurance group;

56.1 (3) the location of the executive offices or largest operational offices of the internationally  
56.2 active insurance group;

56.3 (4) whether another regulatory official is acting or is seeking to act as the groupwide  
56.4 supervisor under a regulatory system that the commissioner determines to be:

56.5 (i) substantially similar to the system of regulation provided under the laws of this state;  
56.6 or

56.7 (ii) otherwise sufficient in terms of providing for groupwide supervision, enterprise risk  
56.8 analysis, and cooperation with other regulatory officials; and

56.9 (5) whether another regulatory official acting or seeking to act as the groupwide  
56.10 supervisor provides the commissioner with reasonably reciprocal recognition and cooperation.

56.11 However, a commissioner identified under this section as the groupwide supervisor may  
56.12 determine that it is appropriate to acknowledge another supervisor to serve as the groupwide  
56.13 supervisor. The acknowledgment of the groupwide supervisor shall be made after  
56.14 consideration of the factors listed in clauses (1) to (5), and shall be made in cooperation  
56.15 with and subject to the acknowledgment of other regulatory officials involved with  
56.16 supervision of members of the internationally active insurance group, and in consultation  
56.17 with the internationally active insurance group.

56.18 (c) Notwithstanding any other provision of law, when another regulatory official is acting  
56.19 as the groupwide supervisor of an internationally active insurance group, the commissioner  
56.20 shall acknowledge that regulatory official as the groupwide supervisor. However, in the  
56.21 event of a material change in the internationally active insurance group that results in:

56.22 (1) the internationally active insurance group's insurers domiciled in this state holding  
56.23 the largest share of the group's premiums, assets, or liabilities; or

56.24 (2) this state being the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers  
56.25 in the insurance holding company system of the internationally active insurance group,

56.26 the commissioner shall make a determination or acknowledgment as to the appropriate  
56.27 groupwide supervisor for such an internationally active insurance group pursuant to  
56.28 ~~subsection paragraph~~ (b).

56.29 (d) Pursuant to section 60D.21, the commissioner is authorized to collect from any  
56.30 insurer registered pursuant to section 60D.19 all information necessary to determine whether  
56.31 the commissioner may act as the groupwide supervisor of an internationally active insurance  
56.32 group or if the commissioner may acknowledge another regulatory official to act as the  
56.33 groupwide supervisor. Prior to issuing a determination that an internationally active insurance  
57.1 group is subject to groupwide supervision by the commissioner, the commissioner shall  
57.2 notify the insurer registered pursuant to section 60D.19 and the ultimate controlling person  
57.3 within the internationally active insurance group. The internationally active insurance group  
57.4 shall have not less than 30 days to provide the commissioner with additional information  
57.5 pertinent to the pending determination. The commissioner shall publish in the State Register

58.23 (3) the location of the executive offices or largest operational offices of the internationally  
58.24 active insurance group;

58.25 (4) whether another regulatory official is acting or is seeking to act as the groupwide  
58.26 supervisor under a regulatory system that the commissioner determines to be:

58.27 (i) substantially similar to the system of regulation provided under the laws of this state;  
58.28 or

58.29 (ii) otherwise sufficient in terms of providing for groupwide supervision, enterprise risk  
58.30 analysis, and cooperation with other regulatory officials; and

58.31 (5) whether another regulatory official acting or seeking to act as the groupwide  
58.32 supervisor provides the commissioner with reasonably reciprocal recognition and cooperation.

59.1 However, a commissioner identified under this section as the groupwide supervisor may  
59.2 determine that it is appropriate to acknowledge another supervisor to serve as the groupwide  
59.3 supervisor. The acknowledgment of the groupwide supervisor shall be made after  
59.4 consideration of the factors listed in clauses (1) to (5), and shall be made in cooperation  
59.5 with and subject to the acknowledgment of other regulatory officials involved with  
59.6 supervision of members of the internationally active insurance group, and in consultation  
59.7 with the internationally active insurance group.

59.8 (c) Notwithstanding any other provision of law, when another regulatory official is acting  
59.9 as the groupwide supervisor of an internationally active insurance group, the commissioner  
59.10 shall acknowledge that regulatory official as the groupwide supervisor. However, in the  
59.11 event of a material change in the internationally active insurance group that results in:

59.12 (1) the internationally active insurance group's insurers domiciled in this state holding  
59.13 the largest share of the group's premiums, assets, or liabilities; or

59.14 (2) this state being the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers  
59.15 in the insurance holding company system of the internationally active insurance group,

59.16 the commissioner shall make a determination or acknowledgment as to the appropriate  
59.17 groupwide supervisor for such an internationally active insurance group pursuant to  
59.18 ~~subsection paragraph~~ (b).

59.19 (d) Pursuant to section 60D.21, the commissioner is authorized to collect from any  
59.20 insurer registered pursuant to section 60D.19 all information necessary to determine whether  
59.21 the commissioner may act as the groupwide supervisor of an internationally active insurance  
59.22 group or if the commissioner may acknowledge another regulatory official to act as the  
59.23 groupwide supervisor. Prior to issuing a determination that an internationally active insurance  
59.24 group is subject to groupwide supervision by the commissioner, the commissioner shall  
59.25 notify the insurer registered pursuant to section 60D.19 and the ultimate controlling person  
59.26 within the internationally active insurance group. The internationally active insurance group  
59.27 shall have not less than 30 days to provide the commissioner with additional information  
59.28 pertinent to the pending determination. The commissioner shall publish in the State Register

57.6 and on the department's website the identity of internationally active insurance groups that  
57.7 the commissioner has determined are subject to groupwide supervision by the commissioner.

57.8 (e) If the commissioner is the groupwide supervisor for an internationally active insurance  
57.9 group, the commissioner is authorized to engage in any of the following groupwide  
57.10 supervision activities:

57.11 (1) assess the enterprise risks within the internationally active insurance group to ensure  
57.12 that:

57.13 (i) the material financial condition and liquidity risks to the members of the internationally  
57.14 active insurance group that are engaged in the business of insurance are identified by  
57.15 management; and

57.16 (ii) reasonable and effective mitigation measures are in place; or

57.17 (2) request, from any member of an internationally active insurance group subject to the  
57.18 commissioner's supervision, information necessary and appropriate to assess enterprise risk,  
57.19 including but not limited to information about the members of the internationally active  
57.20 insurance group regarding:

57.21 (i) governance, risk assessment, and management;

57.22 (ii) capital adequacy; and

57.23 (iii) material intercompany transactions;

57.24 (3) coordinate and, through the authority of the regulatory officials of the jurisdictions  
57.25 where members of the internationally active insurance group are domiciled, compel  
57.26 development and implementation of reasonable measures designed to ensure that the  
57.27 internationally active insurance group is able to timely recognize and mitigate enterprise  
57.28 risks to members of ~~such~~ the internationally active insurance group that are engaged in the  
57.29 business of insurance;

57.30 (4) communicate with other state, federal and international regulatory agencies for  
57.31 members within the internationally active insurance group and share relevant information  
57.32 subject to the confidentiality provisions of section 60D.22, through supervisory colleges as  
57.33 set forth in section 60D.215 or otherwise;

58.1 (5) enter into agreements with or obtain documentation from any insurer registered under  
58.2 section 60D.19, any member of the internationally active insurance group, and any other  
58.3 state, federal, and international regulatory agencies for members of the internationally active  
58.4 insurance group, providing the basis for or otherwise clarifying the commissioner's role as  
58.5 groupwide supervisor, including provisions for resolving disputes with other regulatory  
58.6 officials. ~~Such~~ Agreements or documentation under this clause shall not serve as evidence  
58.7 in any proceeding that any insurer or person within an insurance holding company system  
58.8 not domiciled or incorporated in this state is doing business in this state or is otherwise  
58.9 subject to jurisdiction in this state; and

59.29 and on the department's website the identity of internationally active insurance groups that  
59.30 the commissioner has determined are subject to groupwide supervision by the commissioner.

59.31 (e) If the commissioner is the groupwide supervisor for an internationally active insurance  
59.32 group, the commissioner is authorized to engage in any of the following groupwide  
59.33 supervision activities:

60.1 (1) assess the enterprise risks within the internationally active insurance group to ensure  
60.2 that:

60.3 (i) the material financial condition and liquidity risks to the members of the internationally  
60.4 active insurance group that are engaged in the business of insurance are identified by  
60.5 management; and

60.6 (ii) reasonable and effective mitigation measures are in place; or

60.7 (2) request, from any member of an internationally active insurance group subject to the  
60.8 commissioner's supervision, information necessary and appropriate to assess enterprise risk,  
60.9 including but not limited to information about the members of the internationally active  
60.10 insurance group regarding:

60.11 (i) governance, risk assessment, and management;

60.12 (ii) capital adequacy; and

60.13 (iii) material intercompany transactions;

60.14 (3) coordinate and, through the authority of the regulatory officials of the jurisdictions  
60.15 where members of the internationally active insurance group are domiciled, compel  
60.16 development and implementation of reasonable measures designed to ensure that the  
60.17 internationally active insurance group is able to timely recognize and mitigate enterprise  
60.18 risks to members of ~~such~~ the internationally active insurance group that are engaged in the  
60.19 business of insurance;

60.20 (4) communicate with other state, federal and international regulatory agencies for  
60.21 members within the internationally active insurance group and share relevant information  
60.22 subject to the confidentiality provisions of section 60D.22, through supervisory colleges as  
60.23 set forth in section 60D.215 or otherwise;

60.24 (5) enter into agreements with or obtain documentation from any insurer registered under  
60.25 section 60D.19, any member of the internationally active insurance group, and any other  
60.26 state, federal, and international regulatory agencies for members of the internationally active  
60.27 insurance group, providing the basis for or otherwise clarifying the commissioner's role as  
60.28 groupwide supervisor, including provisions for resolving disputes with other regulatory  
60.29 officials. ~~Such~~ Agreements or documentation under this clause shall not serve as evidence  
60.30 in any proceeding that any insurer or person within an insurance holding company system  
60.31 not domiciled or incorporated in this state is doing business in this state or is otherwise  
60.32 subject to jurisdiction in this state; and



58.10 (6) other groupwide supervision activities, consistent with the authorities and purposes  
58.11 enumerated above, as considered necessary by the commissioner.

58.12 (f) If the commissioner acknowledges that another regulatory official from a jurisdiction  
58.13 that is not accredited by the NAIC is the groupwide supervisor, the commissioner is  
58.14 authorized to reasonably cooperate, through supervisory colleges or otherwise, with  
58.15 groupwide supervision undertaken by the groupwide supervisor, provided that:

58.16 (1) the commissioner's cooperation is in compliance with the laws of this state; and

58.17 (2) the regulatory official acknowledged as the groupwide supervisor also recognizes  
58.18 and cooperates with the commissioner's activities as a groupwide supervisor for other  
58.19 internationally active insurance groups where applicable. Where ~~such~~ recognition and  
58.20 cooperation by the groupwide supervisor is not reasonably reciprocal, the commissioner is  
58.21 authorized to refuse recognition and cooperation.

58.22 (g) The commissioner is authorized to enter into agreements with or obtain documentation  
58.23 from any insurer registered under section 60D.19, any affiliate of the insurer, and other  
58.24 state, federal, and international regulatory agencies for members of the internationally active  
58.25 insurance group, that provide the basis for or otherwise clarify a regulatory official's role  
58.26 as groupwide supervisor.

58.27 (h) A registered insurer subject to this section shall be liable for and shall pay the  
58.28 reasonable expenses of the commissioner's participation in the administration of this section,  
58.29 including the engagement of attorneys, actuaries, and any other professionals and all  
58.30 reasonable travel expenses.

58.31 Sec. 17. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

58.32 Subdivision 1. **Classification protection and use of information by commissioner.** (a)  
58.33 Documents, materials, or other information in the possession or control of the department  
59.1 that are obtained by or disclosed to the commissioner or any other person in the course of  
59.2 an examination or investigation made pursuant to section 60D.21 and all information reported  
59.3 pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph  
59.4 (e); ~~60D.18;~~ 60D.19; ~~and 60D.20;~~ and 60D.217, are classified as confidential or protected  
59.5 nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible  
59.6 in evidence in a private civil action. However, the commissioner may use the documents,  
59.7 materials, or other information in the furtherance of any regulatory or legal action brought  
59.8 as a part of the commissioner's official duties. The commissioner shall not otherwise make  
59.9 the documents, materials, or other information public without the prior written consent of  
59.10 the insurer to which it pertains unless the commissioner, after giving the insurer and its  
59.11 affiliates who would be affected by this action notice and opportunity to be heard, determines  
59.12 that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the  
59.13 publication of it, in which event the commissioner may publish all or any part in the manner  
59.14 the commissioner deems appropriate.

61.1 (6) other groupwide supervision activities, consistent with the authorities and purposes  
61.2 enumerated above, as considered necessary by the commissioner.

61.3 (f) If the commissioner acknowledges that another regulatory official from a jurisdiction  
61.4 that is not accredited by the NAIC is the groupwide supervisor, the commissioner is  
61.5 authorized to reasonably cooperate, through supervisory colleges or otherwise, with  
61.6 groupwide supervision undertaken by the groupwide supervisor, provided that:

61.7 (1) the commissioner's cooperation is in compliance with the laws of this state; and

61.8 (2) the regulatory official acknowledged as the groupwide supervisor also recognizes  
61.9 and cooperates with the commissioner's activities as a groupwide supervisor for other  
61.10 internationally active insurance groups where applicable. Where ~~such~~ recognition and  
61.11 cooperation by the groupwide supervisor is not reasonably reciprocal, the commissioner is  
61.12 authorized to refuse recognition and cooperation.

61.13 (g) The commissioner is authorized to enter into agreements with or obtain documentation  
61.14 from any insurer registered under section 60D.19, any affiliate of the insurer, and other  
61.15 state, federal, and international regulatory agencies for members of the internationally active  
61.16 insurance group, that provide the basis for or otherwise clarify a regulatory official's role  
61.17 as groupwide supervisor.

61.18 (h) A registered insurer subject to this section shall be liable for and shall pay the  
61.19 reasonable expenses of the commissioner's participation in the administration of this section,  
61.20 including the engagement of attorneys, actuaries, and any other professionals and all  
61.21 reasonable travel expenses.

61.22 Sec. 24. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

61.23 Subdivision 1. **Classification protection and use of information by commissioner.** (a)  
61.24 Documents, materials, or other information in the possession or control of the department  
61.25 that are obtained by or disclosed to the commissioner or any other person in the course of  
61.26 an examination or investigation made pursuant to section 60D.21 and all information reported  
61.27 pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph  
61.28 (e); ~~60D.18;~~ 60D.19; ~~and 60D.20;~~ and 60D.217, are classified as confidential or protected  
61.29 nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible  
61.30 in evidence in a private civil action. However, the commissioner may use the documents,  
61.31 materials, or other information in the furtherance of any regulatory or legal action brought  
61.32 as a part of the commissioner's official duties. The commissioner shall not otherwise make  
61.33 the documents, materials, or other information public without the prior written consent of  
62.1 the insurer to which it pertains unless the commissioner, after giving the insurer and its  
62.2 affiliates who would be affected by this action notice and opportunity to be heard, determines  
62.3 that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the  
62.4 publication of it, in which event the commissioner may publish all or any part in the manner  
62.5 the commissioner deems appropriate.

59.15 (b) For purposes of the information reported and provided to the department pursuant  
59.16 to section 60D.19, subdivision 11b, the commissioner must maintain the confidentiality of  
59.17 the group capital calculation and group capital ratio produced within the calculation and  
59.18 any group capital information received from an insurance holding company supervised by  
59.19 the Federal Reserve Board or any United States groupwide supervisor.

59.20 (c) For purposes of the information reported and provided to the department pursuant  
59.21 to section 60D.19, subdivision 11c, the commissioner must maintain the confidentiality of  
59.22 the liquidity stress test results and supporting disclosures and any liquidity stress test  
59.23 information received from an insurance holding company supervised by the Federal Reserve  
59.24 Board and non-United States groupwide supervisors.

59.25 Sec. 18. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

59.26 Subd. 3. **Sharing of information.** In order to assist in the performance of the  
59.27 commissioner's duties, the commissioner:

59.28 (1) may share documents, materials, or other information, including the confidential,  
59.29 protected nonpublic, and privileged documents, materials, or information subject to this  
59.30 section, including proprietary and trade secret documents and materials, with: (i) other state,  
59.31 federal, and international regulatory agencies, with; (ii) the NAIC and its affiliates and  
59.32 subsidiaries; (iii) any third-party consultants designated by the commissioner; and with  
59.33 (iv) state, federal, and international law enforcement authorities, including members of any  
59.34 supervisory college described in section 60D.215, provided that the recipient agrees in  
60.1 writing to maintain the confidentiality and privileged status of the document, material, or  
60.2 other information, and has verified in writing the legal authority to maintain confidentiality;

60.3 (2) notwithstanding clause (1), may only share confidential, protected nonpublic, and  
60.4 privileged documents, materials, or information reported pursuant to section 60D.19,  
60.5 subdivision 11a, with commissioners of states having statutes or regulations substantially  
60.6 similar to subdivision 1 and who have agreed in writing not to disclose this information;

60.7 (3) may receive documents, materials, or information, including otherwise confidential  
60.8 and privileged documents, materials, or information from the NAIC and ~~its~~ the NAIC's  
60.9 affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign  
60.10 or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or  
60.11 privileged any document, material, or information received with notice or the understanding  
60.12 that it is confidential or privileged under the laws of the jurisdiction that is the source of the  
60.13 document, material, or information; and

60.14 (4) shall enter into written agreements with the NAIC and a third-party consultant  
60.15 designated by the commissioner governing sharing and use of information provided pursuant  
60.16 to sections 60D.15 to 60D.29 consistent with this clause that shall:

60.17 (i) specify procedures and protocols regarding the confidentiality and security of  
60.18 information shared with the NAIC and its affiliates and subsidiaries or a third-party consultant  
60.19 designated by the commissioner pursuant to sections 60D.15 to 60D.29, including procedures

62.6 (b) For purposes of the information reported and provided to the department pursuant  
62.7 to section 60D.19, subdivision 11b, the commissioner must maintain the confidentiality of  
62.8 the group capital calculation and group capital ratio produced within the calculation and  
62.9 any group capital information received from an insurance holding company supervised by  
62.10 the Federal Reserve Board or any United States groupwide supervisor.

62.11 (c) For purposes of the information reported and provided to the department pursuant  
62.12 to section 60D.19, subdivision 11c, the commissioner must maintain the confidentiality of  
62.13 the liquidity stress test results and supporting disclosures and any liquidity stress test  
62.14 information received from an insurance holding company supervised by the Federal Reserve  
62.15 Board and non-United States groupwide supervisors.

62.16 Sec. 25. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

62.17 Subd. 3. **Sharing of information.** In order to assist in the performance of the  
62.18 commissioner's duties, the commissioner:

62.19 (1) may share documents, materials, or other information, including the confidential,  
62.20 protected nonpublic, and privileged documents, materials, or information subject to this  
62.21 section, including proprietary and trade secret documents and materials, with: (i) other state,  
62.22 federal, and international regulatory agencies, with; (ii) the NAIC and its affiliates and  
62.23 subsidiaries; (iii) any third-party consultants designated by the commissioner; and with  
62.24 (iv) state, federal, and international law enforcement authorities, including members of any  
62.25 supervisory college described in section 60D.215, provided that the recipient agrees in  
62.26 writing to maintain the confidentiality and privileged status of the document, material, or  
62.27 other information, and has verified in writing the legal authority to maintain confidentiality;

62.28 (2) notwithstanding clause (1), may only share confidential, protected nonpublic, and  
62.29 privileged documents, materials, or information reported pursuant to section 60D.19,  
62.30 subdivision 11a, with commissioners of states having statutes or regulations substantially  
62.31 similar to subdivision 1 and who have agreed in writing not to disclose this information;

62.32 (3) may receive documents, materials, or information, including otherwise confidential  
62.33 and privileged documents, materials, or information from the NAIC and ~~its~~ the NAIC's  
63.1 affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign  
63.2 or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or  
63.3 privileged any document, material, or information received with notice or the understanding  
63.4 that it is confidential or privileged under the laws of the jurisdiction that is the source of the  
63.5 document, material, or information; and

63.6 (4) shall enter into written agreements with the NAIC and a third-party consultant  
63.7 designated by the commissioner governing sharing and use of information provided pursuant  
63.8 to sections 60D.15 to 60D.29 consistent with this clause that shall:

63.9 (i) specify procedures and protocols regarding the confidentiality and security of  
63.10 information shared with the NAIC and its affiliates and subsidiaries or a third-party consultant  
63.11 designated by the commissioner pursuant to sections 60D.15 to 60D.29, including procedures

60.20 and protocols for sharing by the NAIC with other state, federal, or international regulators.  
60.21 The agreement must provide that the recipient agrees in writing to maintain the confidentiality  
60.22 and privileged status of the documents, materials, or other information, and has verified in  
60.23 writing the legal authority to maintain confidentiality;

60.24 (ii) specify that ownership of information shared with the NAIC ~~and its affiliates and~~  
60.25 ~~subsidiaries~~ or a third-party consultant pursuant to sections 60D.15 to 60D.29 remains with  
60.26 the commissioner and the NAIC's or a third-party consultant's, as designated by the  
60.27 commissioner, use of the information is subject to the direction of the commissioner;

60.28 (iii) excluding documents, material, or information reported pursuant to section 60D.19,  
60.29 subdivision 11c, prohibit the NAIC or a third-party consultant designated by the  
60.30 commissioner from storing the information shared pursuant to sections 60D.15 to 60D.29  
60.31 in a permanent database after the underlying analysis is completed;

60.32 ~~(iii)~~ (iv) require prompt notice to be given to an insurer whose confidential or protected  
60.33 nonpublic information in the possession of the NAIC or a third-party consultant designated  
60.34 by the commissioner pursuant to sections 60D.15 to 60D.29 is subject to a request or  
61.1 subpoena to the NAIC or a third-party consultant designated by the commissioner for  
61.2 disclosure or production; ~~and~~

61.3 ~~(iv)~~ (v) require the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant  
61.4 designated by the commissioner to consent to intervention by an insurer in any judicial or  
61.5 administrative action in which the NAIC ~~and its affiliates and subsidiaries~~ or a third-party  
61.6 consultant designated by the commissioner may be required to disclose confidential or  
61.7 protected nonpublic information about the insurer shared with the NAIC ~~and its affiliates~~  
61.8 ~~and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to  
61.9 sections 60D.15 to 60D.29; and

61.10 (vi) for documents, material, or information reported pursuant to section 60D.19,  
61.11 subdivision 11c, in the case of an agreement involving a third-party consultant, provide for  
61.12 notification of the identity of the consultant to the applicable insurers.

61.13 Sec. 19. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

61.14 Subd. 6. **Classification protection and use by others.** Documents, materials, or other  
61.15 information in the possession or control of the NAIC or a third-party consultant designated  
61.16 by the commissioner pursuant to sections 60D.15 to 60D.29 are confidential, protected  
61.17 nonpublic, or privileged, are not subject to subpoena, and are not subject to discovery or  
61.18 admissible in evidence in a private civil action.

61.19 Sec. 20. Minnesota Statutes 2024, section 60D.22, is amended by adding a subdivision to  
61.20 read:

61.21 Subd. 7. **Certain disclosures or publication prohibited.** (a) The group capital calculation  
61.22 and resulting group capital ratio required under section 60D.19, subdivision 11b, and the  
61.23 liquidity stress test along with the liquidity stress test's results and supporting disclosures

63.12 and protocols for sharing by the NAIC with other state, federal, or international regulators.  
63.13 The agreement must provide that the recipient agrees in writing to maintain the confidentiality  
63.14 and privileged status of the documents, materials, or other information, and has verified in  
63.15 writing the legal authority to maintain confidentiality;

63.16 (ii) specify that ownership of information shared with the NAIC ~~and its affiliates and~~  
63.17 ~~subsidiaries~~ or a third-party consultant pursuant to sections 60D.15 to 60D.29 remains with  
63.18 the commissioner and the NAIC's or a third-party consultant's, as designated by the  
63.19 commissioner, use of the information is subject to the direction of the commissioner;

63.20 (iii) excluding documents, material, or information reported pursuant to section 60D.19,  
63.21 subdivision 11c, prohibit the NAIC or a third-party consultant designated by the  
63.22 commissioner from storing the information shared pursuant to sections 60D.15 to 60D.29  
63.23 in a permanent database after the underlying analysis is completed;

63.24 ~~(iii)~~ (iv) require prompt notice to be given to an insurer whose confidential or protected  
63.25 nonpublic information in the possession of the NAIC or a third-party consultant designated  
63.26 by the commissioner pursuant to sections 60D.15 to 60D.29 is subject to a request or  
63.27 subpoena to the NAIC or a third-party consultant designated by the commissioner for  
63.28 disclosure or production; ~~and~~

63.29 ~~(iv)~~ (v) require the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant  
63.30 designated by the commissioner to consent to intervention by an insurer in any judicial or  
63.31 administrative action in which the NAIC ~~and its affiliates and subsidiaries~~ or a third-party  
63.32 consultant designated by the commissioner may be required to disclose confidential or  
63.33 protected nonpublic information about the insurer shared with the NAIC ~~and its affiliates~~  
64.1 ~~and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to  
64.2 sections 60D.15 to 60D.29; and

64.3 (vi) for documents, material, or information reported pursuant to section 60D.19,  
64.4 subdivision 11c, in the case of an agreement involving a third-party consultant, provide for  
64.5 notification of the identity of the consultant to the applicable insurers.

64.6 Sec. 26. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

64.7 Subd. 6. **Classification protection and use by others.** Documents, materials, or other  
64.8 information in the possession or control of the NAIC or a third-party consultant designated  
64.9 by the commissioner pursuant to sections 60D.15 to 60D.29 are confidential, protected  
64.10 nonpublic, or privileged, are not subject to subpoena, and are not subject to discovery or  
64.11 admissible in evidence in a private civil action.

64.12 Sec. 27. Minnesota Statutes 2024, section 60D.22, is amended by adding a subdivision to  
64.13 read:

64.14 Subd. 7. **Certain disclosures or publication prohibited.** (a) The group capital calculation  
64.15 and resulting group capital ratio required under section 60D.19, subdivision 11b, and the  
64.16 liquidity stress test along with the liquidity stress test's results and supporting disclosures

61.24 required under section 60D.19, subdivision 11c, are regulatory tools to assess group risks  
61.25 and capital adequacy and group liquidity risks, respectively, and are not intended as a means  
61.26 to rank insurers or insurance holding company systems generally.

61.27 (b) Except as otherwise required under sections 60D.09 to 60D.29, making, publishing,  
61.28 disseminating, circulating, or placing before the public, or causing directly or indirectly to  
61.29 be made, published, disseminated, circulated, or placed before the public in a newspaper,  
61.30 magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster,  
61.31 or over any radio, television station, or any electronic means of communication available  
61.32 to the public, or in any other way as an advertisement, announcement, or statement containing  
61.33 a representation or statement with regard to the group capital calculation, group capital ratio,  
62.1 the liquidity stress test results, or supporting disclosures for the liquidity stress test of any  
62.2 insurer or any insurer group, or of any component derived in the calculation by any insurer,  
62.3 broker, or other person engaged in any manner in the insurance business is misleading and  
62.4 is prohibited.

62.5 (c) Notwithstanding paragraph (b), an insurer may publish an announcement in a written  
62.6 publication if any materially false statement with respect to the group capital calculation,  
62.7 resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or  
62.8 insurance group's group capital calculation or resulting group capital ratio, liquidity stress  
62.9 test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison  
62.10 of any amount to an insurer's or insurance group's liquidity stress test result or supporting  
62.11 disclosures is published in any written publication and the insurer is able to demonstrate to  
62.12 the commissioner with substantial proof the statement's falsity or inappropriateness. The  
62.13 sole purpose of an announcement under this paragraph must be to rebut the materially false  
62.14 statement.

62.15 Sec. 21. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

62.16 Subd. 2. **Voting of securities; when prohibited.** No security that is the subject of any  
62.17 agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in  
62.18 contravention of the provisions of this chapter or of any rule or order issued by the  
62.19 commissioner may be voted at any shareholder's meeting, or may be counted for quorum  
62.20 purposes, and any action of shareholders requiring the affirmative vote of a percentage of  
62.21 shares may be taken as though the securities were not issued and outstanding. No action  
62.22 taken at the meeting shall be invalidated by the voting of the securities, unless the action  
62.23 would materially affect control of the insurer or unless the courts of this state have so  
62.24 ordered. If an insurer or the commissioner has reason to believe that any security of the  
62.25 insurer has been or is about to be acquired in contravention of the provisions of this chapter  
62.26 or of any rule or order issued by the commissioner, the insurer or the commissioner may  
62.27 apply to the district court for the county in which the insurer has its principal place of  
62.28 business to enjoin any offer, request, invitation, agreement, or acquisition made in  
62.29 contravention of section ~~60D.16~~ 60D.17 or any rule or order issued by the commissioner  
62.30 to enjoin the voting of any security so acquired, to void any vote of the security already cast

64.17 required under section 60D.19, subdivision 11c, are regulatory tools to assess group risks  
64.18 and capital adequacy and group liquidity risks, respectively, and are not intended as a means  
64.19 to rank insurers or insurance holding company systems generally.

64.20 (b) Except as otherwise required under sections 60D.09 to 60D.29, making, publishing,  
64.21 disseminating, circulating, or placing before the public, or causing directly or indirectly to  
64.22 be made, published, disseminated, circulated, or placed before the public in a newspaper,  
64.23 magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster,  
64.24 or over any radio, television station, or any electronic means of communication available  
64.25 to the public, or in any other way as an advertisement, announcement, or statement containing  
64.26 a representation or statement with regard to the group capital calculation, group capital ratio,  
64.27 the liquidity stress test results, or supporting disclosures for the liquidity stress test of any  
64.28 insurer or any insurer group, or of any component derived in the calculation by any insurer,  
64.29 broker, or other person engaged in any manner in the insurance business is misleading and  
64.30 is prohibited.

64.31 (c) Notwithstanding paragraph (b), an insurer may publish an announcement in a written  
64.32 publication if any materially false statement with respect to the group capital calculation,  
64.33 resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or  
65.1 insurance group's group capital calculation or resulting group capital ratio, liquidity stress  
65.2 test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison  
65.3 of any amount to an insurer's or insurance group's liquidity stress test result or supporting  
65.4 disclosures is published in any written publication and the insurer is able to demonstrate to  
65.5 the commissioner with substantial proof the statement's falsity or inappropriateness. The  
65.6 sole purpose of an announcement under this paragraph must be to rebut the materially false  
65.7 statement.

65.8 Sec. 28. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

65.9 Subd. 2. **Voting of securities; when prohibited.** No security that is the subject of any  
65.10 agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in  
65.11 contravention of the provisions of this chapter or of any rule or order issued by the  
65.12 commissioner may be voted at any shareholder's meeting, or may be counted for quorum  
65.13 purposes, and any action of shareholders requiring the affirmative vote of a percentage of  
65.14 shares may be taken as though the securities were not issued and outstanding. No action  
65.15 taken at the meeting shall be invalidated by the voting of the securities, unless the action  
65.16 would materially affect control of the insurer or unless the courts of this state have so  
65.17 ordered. If an insurer or the commissioner has reason to believe that any security of the  
65.18 insurer has been or is about to be acquired in contravention of the provisions of this chapter  
65.19 or of any rule or order issued by the commissioner, the insurer or the commissioner may  
65.20 apply to the district court for the county in which the insurer has its principal place of  
65.21 business to enjoin any offer, request, invitation, agreement, or acquisition made in  
65.22 contravention of section ~~60D.16~~ 60D.17 or any rule or order issued by the commissioner  
65.23 to enjoin the voting of any security so acquired, to void any vote of the security already cast

62.31 at any meeting of shareholders and for other equitable relief as the nature of the case and  
62.32 the interest of the insurer's policyholders or the public requires.

63.1 Sec. 22. Minnesota Statutes 2024, section 60D.25, is amended to read:

63.2 **60D.25 RECEIVERSHIP.**

63.3 Whenever it appears to the commissioner that any person has committed a violation of  
63.4 this chapter that so impairs the financial condition of a domestic insurer as to threaten  
63.5 insolvency or make the further transaction of business by it hazardous to its policyholders,  
63.6 creditors, shareholders, or the public, then the commissioner may proceed as provided in  
63.7 chapter 60B to take possessions of the property of the domestic insurer and to conduct the  
63.8 business of ~~that~~ the domestic insurer.

65.24 at any meeting of shareholders and for other equitable relief as the nature of the case and  
65.25 the interest of the insurer's policyholders or the public requires.

65.26 Sec. 29. Minnesota Statutes 2024, section 60D.25, is amended to read:

65.27 **60D.25 RECEIVERSHIP.**

65.28 Whenever it appears to the commissioner that any person has committed a violation of  
65.29 this chapter that so impairs the financial condition of a domestic insurer as to threaten  
65.30 insolvency or make the further transaction of business by it hazardous to its policyholders,  
65.31 creditors, shareholders, or the public, then the commissioner may proceed as provided in  
65.32 chapter 60B to take possessions of the property of the domestic insurer and to conduct the  
65.33 business of ~~that~~ the domestic insurer.

66.1 Sec. 30. Minnesota Statutes 2024, section 62D.221, is amended by adding a subdivision  
66.2 to read:

66.3 Subd. 3. **Exception.** Notwithstanding subdivision 1, health maintenance organizations  
66.4 are not subject to oversight under this section with respect to section 60D.20, subdivision  
66.5 1, paragraphs (a), clauses (7) to (9), and (f).