65B.19 Notice of right to complain

When the insurer notifies the policyholder of nonrenewal, cancellation or reduction in the limits of liability of coverage under sections 65B.16 or 65B.-17, the insurer shall also notify the named insured of his right to complain within 30 days of his receipt of notice of nonrenewal, cancellation or reduction in the limits of liability to the commissioner of such action and of the nature of and his possible eligibility for insurance through the Minnesota automobile insurance plan. Such notice shall accompany or be included in the notice of nonrenewal, cancellation or reduction in the limits of liability of coverage, and shall state that such notice of the insured's right of complaint to the commissioner and of the availability of insurance through the Minnesota automobile insurance plan is given pursuant to sections 65B.14 to 65B.21.

[*1973 c 610 s 1*]

65B.21 Objections; investigation; determination

Subdivision 1. Any individual who believes such nonrenewal, cancellation or reduction in the limits of liability of coverage of his policy is arbitrary, capricious or otherwise in violation of this provision, or who believes such notice of nonrenewal and the reason or reasons therefor were not given as provided herein, may, within 30 days after receipt of notice thereof, file in writing an objection to such action with the commissioner.

Subd. 2. Upon receipt of a written objection pursuant to the provisions herein, the commissioner shall notify the insurer of receipt of such objection and of the right of the insurer to file a written response thereto within ten days of receipt of such notification. The commissioner in his discretion may also order an investigation of the objection or complaint, the submission of additional information by the insured or the insurer about the action by the insurer or the objections of the insured, or such other procedure as he deems appropriate or necessary. Within 23 days of receipt of such written objection by an insured the commissioner shall approve or disapprove the insurer's action and shall notify the insured and insurer of his final decision. Either party may institute proceedings for judicial review of the commissioner's decision; provided, however, that the commissioner's final decision shall be binding pending judicial review.

[*1973 c 610 s 2*]

65B.22 Uninsured motorist coverage

[*For text of subds. 1 to 7, see M.S.1971*]

Subd. 8. Beginning January 1, 1972, any company issuing a policy to an insured for the first time or for the first time after such date effects the renewal of a policy previously issued shall include the higher limits of coverage provided for in subdivision 3, unless the insured chooses in writing such lower limits as are provided for in said subdivision 3; thereafter the policy if renewed shall be with the limits of the previous policy unless the insured shall in writing request different limits within the limits provided for in said subdivision 3.

[*1973 c 35 s 21*]

CHAPTER 69. FIRE AND POLICE DEPARTMENT AID; FIREMEN'S AND POLICEMEN'S RELIEF

Sec.		Sec.	
69.06	Service pensions.	69.772	Financing pensions.
69.73	Content.	69.775	Investments.
69.77	Police and firemen's relief association guidelines act.		

69.06 Service pensions

Every fire department relief association organized under any laws of this state when its certificate of incorporation or bylaws so provide may pay out of any funds received from the state, or other source, a service pension in such amount, not exceeding $40 per month, as hereinafter authorized, or as may be provided by its bylaws, to each of its members who has heretofore retired or may hereafter retire, who has reached or shall hereafter reach the age of 50 years and who has done or hereafter shall do active duty for 20 years or more as a member of a volunteer, paid or partially paid and partially volunteer, fire department in the municipality where the association exists, and who has been or shall hereafter be a member of such fire department relief association at least ten years prior to such retirement and who complies with such additional conditions as to age, service, and membership as may be prescribed by the certificate or bylaws of the association.

The amount of monthly pension which may be paid to such retired firemen may be increased by adding to the maximum above prescribed an amount not exceeding $2 per month for each year of active duty over 20 years of service before retirement; provided, that no such fire department relief association shall pay to any member thereof a pension in any greater amount than the sum of $60 per month.

Any such fire department relief association where the majority of its members are volunteer firemen may provide in its certificate of incorporation or bylaws for a service pension in an amount not exceeding $300 per year of service to be paid in a lump sum where the retiring member qualifies for a service pension under the provisions hereinbefore set forth.

These pensions shall be uniform in amount, except as herein otherwise provided. No such pension shall be paid to any person while he remains a member of the fire department and no person receiving such pension shall be entitled to other relief from the association. No payments made or to be made by the association to any member on the pension role shall be subject to judgment, garnishment, execution, or other legal process and no person entitled to such payment shall have the right to assign the same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

[*1973 c 290 s 1*]

69.73 Content

The actuarial survey shall be prepared in accordance with the entry age normal cost (level normal cost) method and shall include the following:

(1) A census of each of active and deferred annuitant classes by attained age, sex, and service. The census shall show number of members, their aggregate salary, their contributions for the past plan year, and their prospective retirement annuities under the plan.

(2) A census of each of the classes of retired members, disabled members, and survivors of members by type of annuity, attained age and sex (and duration where applicable). The census shall show number of retirants and amount of annual annuity payable as of the survey date.

(3) An actuarial balance sheet showing assets, liabilities, and the deficit from full funding of liabilities.

(4) A statement of assumptions made in determining present values of benefits and contributions, including the following:

(a) Interest rate of five percent per annum

(b) Mortality rates (before and after retirement)

(c) Withdrawal rate

(d) Salary scale

(e) In each future year the salary on which a retirement benefit is based is 1.035 multiplied by such salary for the preceding year.

(5) Each actuarial survey shall include findings as to:

(a) The normal support rate required to adequately finance currently accruing liabilities, which shall be the entry age normal cost (level normal cost).

The normal cost shall be expressed as a level percentage of current and projected future participating payroll based upon the assumption set forth in (4)(e).

(b) Such additional annual rate of support as is required to amortize the deficits found by the end of the fiscal year of the fund occurring in 2007. The unfunded past service cost shall be determined in accordance with the entry age normal cost method. Each actuarial survey report shall state the number of dollars of level normal contribution required to amortize the current unfunded past service as herein provided.

In the case of a governmental subdivision retirement fund described in section 1(e) in lieu of finding level cost to amortize the unfunded deficit by the year 2007, the following requirements shall apply:

The normal cost shall be adjusted by such amount as may be necessary to provide for any gains or losses resulting from actual experience deviating from the actuarial assumptions on which previous valuations were based.

[*1973 c 772 s 1*]

69.77 Police and firemen's relief association guidelines act

[*For text of subd. 1, see M.S.1971*]

Subd. 2. Subdivision 1 does not apply to an association described in subdivision 1 under the following circumstances:

(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, 1970, a contribution for retirement and survivorship benefits of not less than six percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that such contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years, but the increase in rate of contribution in each year commencing in 1970 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. This paragraph shall not apply to members who are volunteer firemen, provided that the local governing body shall have given their approval to the exemption following consideration of the most recent actuarial survey.

(2) The officers of the association determine on or before September 1 of each year commencing in 1970 the financial requirements and minimum obligation of the association for the following calendar year in accordance with the following requirements:

Until a later actuarial survey is prepared in accordance with sections 69.71 to 69.76, the association shall determine its financial requirements by basing the same on the actuarial survey prepared as of December 31, 1967, copies of which are on file with the legislative retirement study commission, the chief clerk of the house of representatives, and the secretary of the senate; thereafter the financical requirements are determined by the most recent actuarial survey prepared in accordance with sections 69.71 to 69.76.

The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at five percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

The total of these two amounts represents the financial requirements of the association for the following year.

Except as otherwise provided in this paragraph, the minimum obligation of the governmental subdivision shall be the financial requirements of the association less member contributions herein provided from covered salary and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, 10 percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body not later than September 1 of each year so that it may ascertain if it has been prepared in accordance with law.

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without *limitation as to rate or amount and irrespective of limitations imposed by* other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the association may certify that amount to the county auditor, who shall spread a levy in the amount of such obligation.

(6) Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.

(7) The funds of the association shall be invested in securities which are proper investments for funds of the Minnesota state retirement system, except that up to $10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation applicable to the Minnesota state retirement system would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on the date of enactment of this section. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, *and that up to 20 percent of that portion of the assets of the association in*vested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.

(8) The association shall procure an actuarial survey showing the condition of its fund as of December 31, 1970, and not less frequently than each four years thereafter. Such survey shall be filed with the chief clerk of the house of representatives, the secretary of the senate, the governing body of the mu-

nicipality in which the association is organized, and the secretary of any legislative committee or commission duly created and having within its jurisdiction the study of pension plans and pension funds, not later than June 1 of the following year in the manner described in sections 69.71 to 69.76.

[*1973 c 129 s 6; 1973 c 772 s 2*]

[*For text of subds. 2a and 3, see M.S.1971*]

69.772 Financing pensions

[*For text of subds. 1 and 2, see M.S.1971*]

Subd. 3. The financial requirements of the fund shall be determined in the following manner:

(1) During the month of July, 1971, the total present liability of the special fund shall be calculated by the officers of the fund and it shall be the sum of the individual accrued liabilities for years of service of all active members through December 31, 1971. Fractional service years shall be calculated to the nearest full year of service.

(2) During the month of July 1, 1971, the total present assets of the special fund, projected to December 31, 1971, shall be calculated. This projection shall include anticipated receivables to the fund and anticipated disbursements from the fund to the end of the year. In following years, the current assets of the fund shall be determined in the same manner, projected to December 31 of that year.

(3) The amount by which the essential fund calculations of liability as determined by paragraph 1 exceeds or is less than the assets as determined by paragraph 2, shall be considered the deficit or surplus of the fund, as the case may be.

(4) Prior to August 1, 1971, and prior to each August 1 thereafter, the officers of the fund shall determine the projected accrued liability of the fund for the following calendar year in the same manner as the accrued liability of the present calendar year was determined, both calculated as of December 31.

(5) The total financial requirements of the special fund for the following year shall be the net amount of increase in the accrued liability of the following year over the present year with the following adjustments:

(a) From the total net increase shall be deducted the anticipated amount of any state aid to be received during the following calendar year, pursuant to chapter 69.

(b) From the total increase shall be deducted an assumed five percent interest on the projected assets of the fund calculated as of the end of the present calendar year, determined in the manner prescribed in paragraph 2.

(c) To the total increase in accrued liability shall be added an amount equal to one tenth of the deficit, if any, as determined on the original computation of accrued liability and assets for the year 1971. Such one tenth shall be added each year until the assets of the special fund are equal to the accrued liability as annually determined.

(d) At any time that the special fund has a surplus where present assets exceed the present accrued liability, the financial requirements for the ensuing year shall be the amount that the accrued liability for said year, after the adjustments described in this paragraph have been made, exceeds the assets of the fund.

[*1973 c 772 s 3*]

[*For text of subds. 4 to 6, see M.S.1971*]

69.775 Investments

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments for funds of the Minnesota state retirement system, except that up to five percent of the special fund assets, or a minimum of $10,000, may be invested in the stock of any one corporation. Securities held by the associations before January 1, 1972, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on May 14, 1971. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.

[*1973 c 129 s 7*]

CHAPTER 72A. PROHIBITIONS; PENALTIES; REGULATION OF TRADE PRACTICES; UNAUTHORIZED INSURERS FALSE ADVERTISING PROCESS ACT

REGULATION OF TRADE PRACTICES

Sec.
72A.20 Methods, acts and practices which are defined as unfair or deceptive.
72A.28 Violations and penalties.

REGULATION OF TRADE PRACTICES ACT

72A.20 Methods, acts and practices which are defined as unfair or deceptive

Subdivision 1. Schedule of unfair methods. The following are hereby defined as unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

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

(2) False information and advertising generally. Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio station, or in any other way, an advertisement, announcement, or statement, containing any assertion, representation, or statement with respect to the business of insurance, or with respect to any person in the conduct of his insurance business, which is untrue, deceptive, or misleading;

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