

REGULATION OF TRADE PRACTICE; PROHIBITIONS 72A.20

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.

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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;

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

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

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

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

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

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

(10) **Rebates.** Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of life insurance, annuity, or accident and health insurance, or agreement as to such contract, other than as plainly expressed in the contract issued thereon, or paying or allowing or giving, or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; or giving or selling or purchasing, or offering to give, sell, or purchase, as inducement to such insurance or annuity, or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract;

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

(12) **Unfair service.** Causing or permitting with such frequency to indicate a general business practice the claims and complaints of insureds to be processed in an unreasonable length of time, or in an unfair, deceptive, or fraudulent manner, or in violation of such regulations as the commissioner of

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insurance shall make in the public interest to insure the prompt, fair, and honest processing of such claims and complaints.

[1973 c 474 s 1]

[For text of subd. 2, see M.S.1971]

**72A.28 Violations and penalties**

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

Subd. 2. After a cease and desist order issued by the commissioner becomes final under section 72A.24, subdivision 4, any person found to have violated section 72A.19 may be required by the commissioner to pay a penalty, for the use of the state, of not less than \$500 and not more than \$5,000 for each offense. Any insurer which fails to pay the penalty within ten days after notice from the commissioner shall be subject to having any or all of its certificates of authority suspended by the commissioner in accordance with section 60A.05 until the penalty is paid.

[1973 c 474 s 2]

**CHAPTER 72B. INSURANCE ADJUSTERS AND APPRAISERS**

Sec.

72B.04 License procedure and requirements; examinations; fees.

**72B.04 License procedure and requirements; examinations; fees**

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

**Subd. 2. Qualifications.** An applicant for licensing as an adjuster under sections 72B.01 to 72B.14 shall be at least 18 years of age, and shall have one year's training and experience in adjusting insurance claims for damage or loss from risks in the field stated in his application. The applicant shall be competent and trustworthy and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of his application.

An applicant for licensing as an appraiser under sections 72B.01 to 72B.14 shall be at least 18 years of age and shall have had one year's training and experience in evaluating motor vehicle physical damage. The applicant shall be competent and trustworthy and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of his application.

An applicant for licensing as a public adjuster solicitor under sections 72B.01 to 72B.14 shall be at least 18 years of age, shall be competent and trustworthy, and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of his application.

In the case of any applicant who has been convicted of a felony within the ten years next preceding the date of his application, and who in the judgment