

MINNESOTA STATUTES 1979 SUPPLEMENT

72A.20 PROHIBITIONS; PENALTIES; REGULATION OF TRADE PRACTICES;

age of the insured structure's plumbing, electrical, heating or cooling system or other part of the structure, the age of which affects the risk of loss. Any insurer's failure to comply with section 65A.29, subdivisions 2 to 4, either (1) by failing to give an insured or applicant the required notice or statement or (2) by failing to state specifically a bona fide underwriting or other reason for the refusal to write shall create a presumption that the insurer has violated this subdivision.

Subd. 14. **Application form refusal.** An insurance agent refusing to supply a requested application form for homeowner's insurance with any insurer whom the agent represents or refusing to transmit forthwith any completed application form to the insurer, shall constitute an unfair method of competition and an unfair and deceptive act or practice.

Subd. 15. **Practices not held to be discrimination or rebates.** Nothing in subdivision 1, clauses (8) and (10), or in section 72A.12, subdivisions 3 and 4, shall be construed as including within the definition of discrimination or rebates any of the following practices:

(1) In the case of any contract of life insurance or annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any such bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders;

(2) In the case of life insurance policies issued on the industrial debit plan, making allowance, to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer, in an amount which fairly represents the saving in collection expense;

(3) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experienced thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year.

[1979 c 207 s 6]

72A.23 Decision and order thereon.

Subdivision 1. **Determination by commissioner; findings.** If, after a hearing, as provided in section 72A.22, the commissioner shall determine that the method of competition or the act or practice in question is defined in section 72A.20, and that the person complained of has engaged in that method of competition, act, or practice, in violation of sections 72A.17 to 72A.32 he shall reduce his findings to writing and shall issue and cause to be served upon the person charged with the violation an order requiring him to cease and desist from engaging in that method of competition, act or practice. If the commissioner determines that an insurer has engaged in an act or practice defined in section 72A.20, subdivision 13, the cease and desist order may also require the insurer to write or renew the homeowner's insurance coverage sought by the insured or prospective insured for a specified period of up to three years without cancellation or nonrenewal by the insurer for a reason not specified in section 65A.01; after the specified period expires, cancellation or nonrenewal of the coverage may be made only as permitted by law.

[For text of subs 2 and 3, see M.S.1978]

[1979 c 207 s 7]

CHAPTER 72B. INSURANCE ADJUSTERS

Sec.		Sec.	
72B.01	Purpose and scope.	72B.08	Denial, suspension and revocation of licenses.
72B.02	Definitions.	72B.10	Staff adjusters.
72B.03	Licenses.		
72B.04	License procedure and requirements; examinations; fees.		

MINNESOTA STATUTES 1979 SUPPLEMENT

INSURANCE ADJUSTERS 72B.03

72B.01 Purpose and scope.

It is the purpose of sections 72B.01 to 72B.14 to provide high quality service to insureds and insurance claimants in the state of Minnesota by providing for well trained adjusters and persons engaged in soliciting business for adjusters, who are qualified to deal with the public in the interest of a fair resolution of insurance claims. Sections 72B.01 to 72B.14 shall apply to all adjusters, and adjusters' solicitors, except as specifically stated to the contrary; but nothing in sections 72B.01 to 72B.14 shall apply to:

(a) An attorney at law who is licensed or otherwise allowed to practice law in this state and who does not hold himself out to be an adjuster, or adjuster's solicitor.

(b) A licensed agent of an authorized insurer who adjusts losses for such insurer solely under policies issued by him or his agency or on which he is the agent of record, provided the agent receives no extra compensation for such services.

(c) Personnel of township mutual companies.

(d) Adjusters for crop hail and farm windstorm damage claims who are on the staff of companies covering such risks.

(e) Persons who process life insurance annuity contract or accident and health insurance claims.

(f) Persons processing or adjusting wet marine or inland transportation claims or losses.

[1979 c 141 s 1]

72B.02 Definitions.

[For text of subs 1 to 9, see M.S.1978]

Subd. 10. [Repealed, 1979 c 141 s 9]

[For text of subs 11 and 12, see M.S.1978]

72B.03 Licenses.

Subdivision 1. **Requirement; exceptions.** Except as otherwise provided, no person shall act as an independent adjuster, public adjuster, or public adjuster solicitor for money, a commission, or any other thing of value, unless such person shall first obtain from the commissioner a license. No license shall be required for a person:

(a) Undergoing a training or education program under the guidance of a licensed adjuster and who is registered with the commissioner for a one year temporary permit;

(b) Acting in a catastrophe or emergency situation, and who has registered with the commissioner for that purpose;

(c) A nonresident adjuster who occasionally is in this state to adjust a single loss; provided, however, that if a nonresident adjusts more than six losses in this state in one year he must qualify for and receive a nonresident's license as provided in sections 72B.01 to 72B.14, and provided the adjuster's domiciliary state affords a like privilege.

Subd. 2. **Classes of licenses.** There shall be three classes of licenses, as follows:

(a) Independent adjuster's license.

(b) Public adjuster's license.

(c) Public adjuster solicitor's license.

The independent adjuster and public adjuster licenses shall be issued in at least three fields each, as follows:

(a) Fire and allied lines, inland marine lines and including all perils under homeowners policies.

(b) All lines written as casualty insurance under section 60A.06, and including workers' compensation.

(c) A combination of the fields described in (a) and (b), above. Separate licenses shall be required for each field, but the same person may obtain licenses in more than

MINNESOTA STATUTES 1979 SUPPLEMENT

72B.03 INSURANCE ADJUSTERS

one field. No person shall be licensed as both a public and independent adjuster. The license shall state the class for which the person is licensed and, where applicable, the field in which the person is licensed, and shall state the licensee's name and residence address, the date of issuance and the date of expiration of the license and any other information prescribed by the commissioner which is consistent with the purpose of the license.

Subd. 3. **Payment for services; unlawful practice.** No insurer, agent, or other representative of an insurer nor any adjuster shall pay any fee or other compensation to any person for acting as an adjuster, or a public adjuster solicitor, except to a person duly licensed to so act or to a person not required to be licensed by sections 72B.01 to 72B.14; and it shall be unlawful for any person to act as an independent adjuster, a public adjuster or a public adjuster solicitor, who is not duly licensed, or excluded from the licensing requirement.

[1979 c 141 s 2]

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

Subdivision 1. **Application.** A license to act as an adjuster, or public adjuster solicitor shall only be granted by the commissioner to a qualified person upon request.

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 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 of the commissioner, meets the other qualifications, the commissioner may impose the additional requirement of the filing of a bond in accordance with the requirements of section 72B.08, subdivision 8.

[For text of subs 3 and 4, see M.S.1978]

Subd. 5. **Examinations.** A person applying for a license under sections 72B.01 to 72B.14 must successfully complete an examination prescribed by the commissioner, which examination shall be at least in part a written examination. Examinations shall be given at such time and place as designated by the commissioner and there shall be different examinations for adjusters, public adjuster solicitors, and applicants for temporary permits. Adjusters' examinations shall be given in at least each of three fields: fire and allied lines, inland marine lines and including all perils under homeowners policies; all lines written as casualty insurance under section 60A.06, and including workers' compensation; and a combination of the two foregoing fields. Each examination shall be, in the judgment of the commissioner with the advice of the advisory committee, sufficient to require for a satisfactory score such knowledge of insurance, adjusting practices and appraisal techniques, to the extent that such knowledge is necessary for the class of license applied for and the field in which the applicant is being examined, that the people of Minnesota will receive insurance claim service from persons who are sufficiently trained to make fair and well informed judgments in the evaluation or settlement of insured losses. The examination for an applicant for a temporary permit may be oriented to the specified fields, but shall be less exacting than the examination for a license.

The commissioner may by rule determine the period of time between failure of an examination and re-examination.

MINNESOTA STATUTES 1979 SUPPLEMENT

INSURANCE ADJUSTERS 72B.10

A person shall not be eligible to take an examination if his license as an adjuster or public adjuster solicitor has been revoked in this or any other state within the three years next preceding the date of his application.

No examination shall be required for the timely renewal of a license, unless the license has been revoked.

[For text of subd 6, see M.S.1978]

Subd. 7. **License term.** Every adjuster's and public adjuster solicitor's license shall be for a term expiring on December 31 next following the date of its issuance, and may be renewed for the ensuing calendar year upon the timely filing of an application for renewal.

[For text of subds 8 to 10, see M.S.1978]

[1979 c 141 s 3-6]

72B.08 Denial, suspension and revocation of licenses.

Subdivision 1. **Causes.** The commissioner may suspend, revoke, or refuse to issue an initial or renewal license or temporary permit for any of the following causes:

- (a) Failure to pass a required examination;
- (b) Material misrepresentation or fraud in obtaining or attempting to obtain a license or a temporary permit;
- (c) Willful violation of any insurance law or of any provision of sections 72B.01 to 72B.14;
- (d) Misappropriation, conversion or illegal withholding of moneys required to be held in a fiduciary capacity;
- (e) Materially misrepresenting the terms and effect of any insurance contract, with intent to deceive, or engaging in, or attempting to engage in, any fraudulent transaction with respect to a claim or loss that the licensee or holder of a temporary permit is adjusting and, in the case of a public adjuster solicitor, misrepresenting the services offered or the fees or commission to be charged.
- (f) Conviction of a felony under the laws of this state, any other state, the United States, or any foreign country.
- (g) The licensee or holder of a temporary permit has demonstrated his incompetency or untrustworthiness to act as an adjuster or public adjuster solicitor;
- (h) Refusal to comply with any lawful order of the commissioner.

[For text of subds 2 to 9, see M.S.1978]

[1979 c 141 s 7]

72B.10 Staff adjusters.

A staff adjuster who adjusts losses or claims in this state shall not be subject to the application, licensing, or examination requirements or other qualifications set forth in sections 72B.01 to 72B.14. Such a staff adjuster shall not, however, engage in any of the practices forbidden to a licensee under section 72B.08, subdivision 1, clauses (c), (d), (e), (f), (g) or (h). If the commissioner has information, which if true, would establish that a staff adjuster has engaged or is engaging in any such prohibited practices, he may issue an order for a hearing to determine the facts involved. The order shall fix the time and place for hearing. The staff adjuster and one or more representatives of the insurer or insurers employing the staff adjuster shall make an appearance at the hearing unless the commissioner expressly waives the appearance of one or more such parties. If, following the hearing, the commissioner determines that the staff adjuster has engaged or is engaging in any prohibited practices, he may impose a fine, not in excess of \$500, on the staff adjuster or on the employing insurer or insurers, or on both such parties. In addition, the

MINNESOTA STATUTES 1979 SUPPLEMENT

72B.10 INSURANCE ADJUSTERS

commissioner may order the employing insurer to suspend the staff adjuster from his duties for such period as the commissioner may deem appropriate.

Any final order of the commissioner shall be subject to judicial review. Any hearing or judicial review under this section shall be in accordance with the contested case provisions of chapter 15.

[1979 c 141 s 8]

CHAPTER 79. COMPENSATION INSURANCE

Sec.		Sec.	
79.01	Definitions.	79.22	Duties of commissioner.
79.05	Repealed.	79.221	Independent contractors; payroll determination.
79.06	Repealed.	79.25	Bureau to fix premium rates.
79.07	Repealed.	79.33	Additional duties of the commissioner.
79.071	Rates; hearings.	79.34	Creation of reinsurance association.
79.072	Petition for rehearing.	79.35	Duties; responsibilities; powers.
79.073	Judicial review.	79.36	Additional powers.
79.074	Discrimination.	79.37	Board of directors.
79.075	Automatic adjustment of rates.	79.38	Plan of operation.
79.076	Rate revision order; effect.	79.39	Applicability of chapter 79.
79.095	Appointment of actuary.	79.40	Premium inclusion in ratemaking.
79.10	Review of acts of insurers.	79.41	Organizational meeting.
79.171	Information.	79.42	Submission of plan.
79.21	Rates to be uniform; exceptions.		
79.211	Certain premium determination practices.		

79.01 Definitions.

[For text of subs 1 to 5, see M.S.1978]

Subd. 6. **Association.** "Association" or "rating association" means the Workers' Compensation Insurers Rating Association of Minnesota.

Subd. 7. **Interested party.** "Interested party" means any person or association acting on behalf of its members who is directly affected by a change in the schedule of rates and includes the staff of the insurance division.

Subd. 8. **Schedule of rates.** "Schedule of rates" means the rate level applicable to the various industry groupings or classes, including the risk classifications thereunder upon which the determination of workers' compensation premiums are based, including but not limited to all systems for merit or experience rating, retrospective rating, and premium discounts.

[Ex1979 c 3 s 1]

79.05 [Repealed, Ex1979 c 3 s 70]

79.06 [Repealed, Ex1979 c 3 s 70]

79.07 [Repealed, Ex1979 c 3 s 70]

79.071 Rates; hearings.

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Subd. 2. Upon receipt of a petition requesting a hearing for modification of an existing schedule of rates, the commissioner shall determine whether the petition sufficiently sets forth facts that show that the existing schedule of rates is excessive, inadequate, unfairly discriminatory, or otherwise in need of modification so as to indicate the need to hold a hearing. The commissioner may decline to grant a hearing if the association has failed to provide information requested by previous orders modifying the schedule of rates, provided that the request was not unreasonable. The commissioner may accept or reject the petition for a hearing and shall give notice of his determination to the