

CHAPTER 79

COMPENSATION INSURANCE

79.252 Assigned risk plan.
79.37 Board of directors.
79.55 Standards for rates.

79.62 Data service organizations; licensing, examination.

79.252 ASSIGNED RISK PLAN.

[For text of subs 1 to 3, see M.S.1984]

Subd. 4. **Responsibilities.** Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15, and special compensation fund assessments pursuant to section 176.131, subdivision 10. The assigned risk plan shall be a member of the reinsurance association for the purposes of sections 79.34 to 79.40 and may select either retention limit provided in section 79.34, subdivision 2.

[For text of subd 5, see M.S.1984]

History: *1Sp1985 c 10 s 72*

79.37 BOARD OF DIRECTORS.

A board of directors of the reinsurance association is created and is responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board consists of 13 directors. Four directors shall represent insurers, two directors shall represent employers, two shall represent self-insurers; two directors shall represent employees; the commissioner of finance and the executive director of the state board of investment or their designees shall serve as directors; and one director shall represent the public. Insurer members of the reinsurance association shall elect the directors who represent insurers; self-insurer members of the reinsurance association shall elect the directors who represent self-insurers; and the commissioner of labor and industry shall appoint the remaining directors for the terms authorized in the plan of operation. Each director is entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the directors currently holding office constitutes a quorum. Action may be taken by a majority vote of the directors present.

The board shall take reasonable and prudent action regarding the management of the reinsurance association including but not limited to determining the entity who shall manage the daily affairs of the reinsurance association. The board shall report to the governor of its actions regarding the entity selected to manage the reinsurance association and the reasons for the selection.

History: *1985 c 234 s 2*

79.55 STANDARDS FOR RATES.

[For text of subs 1 to 4, see M.S.1984]

Subd. 5. **Discounts permitted.** An insurer may offer a discount from a manual premium if the premium otherwise complies with this section. The commissioner

shall not by rule, or otherwise, prohibit a credit or discount from a manual premium solely because it is greater than a certain fixed percentage of the premium.

History: 1985 c 219 s 1

79.62 DATA SERVICE ORGANIZATIONS; LICENSING, EXAMINATION.

Subdivision 1. License required. No data service organization shall provide any service and no insurer shall use the services of a data service organization unless the organization is licensed by the commissioner.

Subd. 2. Procedure; application. A data service organization shall apply for a license in a form and manner prescribed by the commissioner. The application of a data service organization shall include:

(a) a copy of its constitution, articles of incorporation, bylaws, and other rules pertaining to the conduct of its business;

(b) a plan and narrative describing how it will perform the activities required by section 79.61;

(c) a statement showing its technical qualifications; and

(d) any other information that the commissioner may reasonably require.

Subd. 2a. Employer representation. The commissioner may appoint two representatives of employers to serve on the board of directors of each licensed data service organization. These directors serve for a term of two years and are entitled to vote on all matters under consideration.

Subd. 3. Issuance. The commissioner, upon finding that the applicant organization is qualified to provide the services required and proposed, or has contracted with a licensed data service organization to purchase these services which are required by this chapter but are not provided directly by the applicant, and that all requirements of law are met, shall issue a license. Each license is subject to annual renewal effective June 30. Each new or renewal license application must be accompanied by a fee of \$50.

Subd. 4. Suspension; revocation. The commissioner may, after a hearing on the record, revoke or suspend the license of a data service organization if he finds that the organization is not in compliance with the requirements of this chapter or rules issued thereunder.

Subd. 5. Licensee examination. The commissioner may examine any licensed data service organization or applicant for this licence to determine whether its activities and practices comply with law. The cost of the examination shall be paid by the examined organization pursuant to section 60A.03.

History: 1Sp1985 c 10 s 73