

45.0135 DIVISION OF INSURANCE FRAUD PREVENTION.

Subdivision 1. [Repealed, 2004 c 269 art 1 s 12]

Subd. 2. [Repealed, 2004 c 269 art 1 s 12]

Subd. 2a. **Authorization.** The commissioner may appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), known as the Division of Insurance Fraud Prevention, to conduct investigations, and to make arrests under sections 629.30 and 629.34. The jurisdiction of the law enforcement agency is limited to offenses related to insurance fraud.

Subd. 2b. **Duties.** The Division of Insurance Fraud Prevention shall:

(1) review notices and reports of insurance fraud submitted by authorized insurers, their employees, and agents or producers;

(2) respond to notifications or complaints of suspected insurance fraud generated by other law enforcement agencies, state or federal governmental units, or any other person;

(3) initiate inquiries and conduct investigations when the division has reason to believe that insurance fraud has been or is being committed; and

(4) report incidents of alleged insurance fraud disclosed by its investigations to appropriate law enforcement agencies, including, but not limited to, the attorney general, county attorneys, or any other appropriate law enforcement or regulatory agency, and shall assemble evidence, prepare charges, and otherwise assist any law enforcement authority having jurisdiction.

Subd. 2c. **Arrests and investigations.** The initial processing of a person arrested by the Division of Insurance Fraud Prevention for an offense within its jurisdiction is the responsibility of the Division of Insurance Fraud Prevention unless otherwise directed by the law enforcement agency with primary jurisdiction. Subsequent investigation shall be the responsibility of the Division of Insurance Fraud Prevention unless otherwise directed by the law enforcement agency with primary jurisdiction. At the request of the primary jurisdiction, the Division of Insurance Fraud Prevention may assist in a subsequent investigation being carried out by the primary jurisdiction.

Subd. 2d. **Policy for notice of investigations.** The Division of Insurance Fraud Prevention must develop a policy for notifying the law enforcement agency with primary jurisdiction when it has initiated investigation of any person within the jurisdiction of that agency.

Subd. 2e. **Chief law enforcement officer.** The commissioner shall appoint a peace officer employed full time to be the chief law enforcement officer and to be responsible for the

management of the Division of Insurance Fraud Prevention. The chief law enforcement officer shall possess the necessary police and management experience to manage a law enforcement agency. The chief law enforcement officer may appoint, discipline, and discharge all employees of the Division of Insurance Fraud Prevention. All police managerial and supervisory personnel must be full-time employees of the Division of Insurance Fraud Prevention. Supervisory personnel must be on duty and available any time peace officers of the Division of Insurance Fraud Prevention are on duty.

Subd. 2f. **Compliance.** Except as otherwise provided in this section, the Division of Insurance Fraud Prevention shall comply with all statutes and administrative rules relating to the operation and management of a law enforcement agency.

Subd. 3. **Evidence, documentation, and related materials.** If the division seeks evidence, documentation, and related materials pertinent to an investigation, and the matter is located outside of this state, the division may designate representatives, including officials of the state where the matter is located, to secure the matter or inspect the matter on its behalf.

Subd. 4. **Confidentiality and immunity.** The provisions of chapter 13, including, but not limited to, section 13.82, apply to the classification, disclosure, and collection of data relating to the Division of Insurance Fraud Prevention.

Subd. 5. **Annual report on activities and cost-effectiveness.** The Division of Insurance Fraud Prevention shall maintain records and information in order to produce an annual report of its activities as may be prescribed by the commissioner of commerce. The commissioner shall report annually to the house of representatives and senate standing committees with jurisdiction over insurance issues as to the activities of the division and the cost-effectiveness of the programs established by the division.

Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account is created in the state treasury. Money received from assessments under subdivision 7 is deposited in the account. Money in this fund is appropriated to the commissioner of commerce for the purposes specified in this section and sections 60A.951 to 60A.956.

Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota, including surplus lines carriers, and having Minnesota earned premium the previous calendar year shall remit an assessment to the commissioner for deposit in the insurance fraud prevention account on or before June 1 of each year. The amount of the assessment shall be based on the insurer's total assets and on the insurer's total written Minnesota premium, for the preceding fiscal year, as reported pursuant to section 60A.13. The assessment is calculated to be an amount up to the following:

| Total Assets | Assessment |
|----------------------------------|------------|
| Less than \$100,000,000 | \$ 200 |
| \$100,000,000 to \$1,000,000,000 | \$ 750 |
| Over \$1,000,000,000 | \$ 2,000 |
| Minnesota Written Premium | Assessment |
| Less than \$10,000,000 | \$ 200 |
| \$10,000,000 to \$100,000,000 | \$ 750 |
| Over \$100,000,000 | \$ 2,000 |

For purposes of this subdivision, the following entities are not considered to be insurers authorized to sell insurance in the state of Minnesota: risk retention groups; or township mutuals organized under chapter 67A.

Subd. 8. **Investigations; health-related boards.** (a) The Division of Insurance Fraud Prevention may consult with the appropriate health-related board when a licensee, licensed under chapter 144E, 147, 148, 148B, or 150A, is suspected of insurance fraud.

(b) The division shall, for any conviction involving or related to insurance, send copies of all public data in its possession to the appropriate health-related licensing board.

History: 2002 c 331 s 1; 2004 c 269 art 1 s 2-9; 2005 c 10 art 2 s 4; 2005 c 77 s 1; 2005 c 147 art 11 s 1; 2009 c 178 art 1 s 2