

**60G.02 NOTICE TO COMPLY WITH WRITTEN REQUIREMENTS OF COMMISSIONER; NONCOMPLIANCE; ADMINISTRATIVE SUPERVISION.**

Subdivision 1. **Administrative supervision.** An insurer may be subject to administrative supervision by the commissioner if upon examination or at any other time it appears in the commissioner's discretion that:

(1) the insurer's condition renders the continuance of its business hazardous to the public or to its insureds;

(2) the insurer has refused to permit examination of its books, papers, accounts, records, or affairs by the commissioner, the commissioner's deputies, employees, or duly commissioned examiners;

(3) a domestic insurer has unlawfully removed from this state books, papers, accounts, or records necessary for an examination of the insurer;

(4) the insurer has failed to promptly comply with the applicable financial reporting statutes or rules and departmental requests relating thereto;

(5) the insurer has neglected or refused to observe an order of the commissioner to make good, within the time prescribed by law, any prohibited deficiency in its capital, capital stock, or surplus;

(6) the insurer is continuing to transact insurance or write business after its license has been revoked or suspended by the commissioner;

(7) the insurer, by contract or otherwise, has unlawfully or has in violation of an order of the commissioner or has without first having obtained written approval of the commissioner if approval is required by law:

(i) totally reinsured its entire outstanding business, or

(ii) merged or consolidated substantially its entire property or business with another insurer;

(8) the insurer engaged in any transaction in which it is not authorized to engage under the laws of this state;

(9) the insurer refused to comply with a lawful order of the commissioner;

(10) the insurer has failed to comply with the applicable provisions of the laws of this state;

(11) the business of the insurer is being conducted fraudulently; or

(12) the insurer gives its consent.

Subd. 2. **Notification.** If the commissioner determines that at least one of the conditions specified in subdivision 1 exists and places the insurer under supervision, the commissioner may:

- (1) notify the insurer of the commissioner's determination;
- (2) furnish to the insurer a written list of the requirements to abate this determination; and
- (3) notify the insurer that it is under the supervision of the commissioner and that the commissioner is applying and enforcing the provisions of this chapter. If placed under administrative supervision, an insurer may request review as provided under chapter 14.

Subd. 3. **Requirement compliance.** If placed under administrative supervision, the insurer shall have 60 days, or another period of time as designated by the commissioner, to comply with the requirements of the commissioner as provided under this chapter. If it is determined after notice and hearing that the insurer has not complied with the requirements of the commissioner at the end of the supervision period, the commissioner may extend the period. If the insurer complies with the requirements of the commissioner, the commissioner shall release the insurer from supervision.

**History:** 1991 c 325 art 2 s 2