

60A.64 AUTHORIZED CONTROL LEVEL EVENT.

Subdivision 1. **Definition.** "Authorized control level event" means any of the following events:

(1) the filing of a risk-based capital report by the insurer that indicates that the insurer's total adjusted capital is greater than or equal to its mandatory control level risk-based capital but less than its authorized control level risk-based capital;

(2) the notification by the commissioner to the insurer of an adjusted risk-based capital report that indicates the event in clause (1), provided the insurer does not challenge the adjusted risk-based capital report under section 60A.66;

(3) if, pursuant to section 60A.66, the insurer challenges an adjusted risk-based capital report that indicates the event in clause (1), notification by the commissioner to the insurer that the commissioner has, after a hearing, rejected the insurer's challenge;

(4) the failure of the insurer to respond, in a manner satisfactory to the commissioner, to a corrective order, provided the insurer has not challenged the corrective order under section 60A.66; or

(5) if the insurer has challenged a corrective order under section 60A.66 and the commissioner has, after a hearing, rejected the challenge or modified the corrective order, the failure of the insurer to respond, in a manner satisfactory to the commissioner, to the corrective order subsequent to rejection or modification by the commissioner.

Subd. 2. **Commissioner's duties.** In the event of an authorized control level event with respect to an insurer, the commissioner shall:

(1) take the actions required under section 60A.63 regarding an insurer with respect to which a regulatory action level event has occurred; or

(2) if the commissioner considers it to be in the best interests of the policyholders and creditors of the insurer and of the public, take the actions necessary to cause the insurer to be placed under regulatory control under chapter 60B. In the event the commissioner takes these actions, the authorized control level event is considered sufficient grounds for the commissioner to take action under chapter 60B, and the commissioner has the rights, powers, and duties with respect to the insurer set forth in chapter 60B. In the event the commissioner takes actions under this clause pursuant to an adjusted risk-based capital report, the insurer is entitled to the protections afforded to insurers under section 60B.11 pertaining to summary proceedings.

History: 1995 c 253 s 6