60K.49 APPOINTMENTS.

Subdivision 1. **Agent of insurer.** A person performing acts requiring a producer license under this chapter is at all times the agent of the insurer and not the insured.

Subd. 2. **Requirements.** Except as described in subdivision 3, a licensed insurance producer shall not engage in the business of insurance with an insurer unless the producer either:

(1) has been appointed by that insurer; or

(2) has the permission of the insurer to transact business on its behalf and obtains an appointment from the insurer within 15 days after the first application is submitted to the insurer.

Subd. 3. **Exception.** A licensed insurance producer may, in response to the needs of a customer, procure insurance in a class of insurance for which the producer is licensed from an insurer by which the producer is not appointed, if the transaction is consummated through an appointed agent of the insurer.

Subd. 4. **Procedure.** To appoint a producer as its agent, the appointing insurer shall file, in a format approved by the commissioner, a notice of appointment within 15 days from the date the agency contract is executed or the first insurance application is submitted. An insurer may also elect to appoint a producer to all or some insurers within the insurer's holding company system or group by the filing of a single appointment request. No insurer shall appoint a producer until the producer obtains a license under this chapter.

Subd. 5. **Eligibility.** Upon receipt of the notice of appointment, the commissioner shall verify within a reasonable time not to exceed 30 days that the insurance producer is eligible for appointment. If the insurance producer is determined to be ineligible for appointment, the commissioner shall notify the insurer within five days of its determination.

Subd. 6. **Fees.** An insurer shall pay an appointment fee, in the amount and method of payment set forth in section 60A.14, subdivision 1, for each insurance producer appointed by the insurer.

Subd. 7. **Period of effectiveness.** Appointments shall remain in force until voluntarily terminated by the insurer or the producer, or until the license of the producer has been terminated for any reason. An insurer may terminate the appointment at any time by notifying the commissioner and the producer under section 60K.51. If the insurer does not specify an effective date, the termination is effective on the date the notice is received by the commissioner. Within 30 days after the insurer gives notice to the commissioner, the insurer shall furnish the producer with a current statement of the producer's commission account.

History: *2001 c 117 art 1 s 20*