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July 2011

TO: The Chief Executive Officer of Minnesota Licensed Insurance Companies, Fraternal Benefit Societies, and Township Mutual Insurance Companies, and Other Interested Parties

FROM: Kevin M. Murphy
Deputy Commissioner of Commerce 

RE: Legislative Changes to Minn. Stat. Chapter 60A, 60C, 61A, 67A, 68A, and 72A

The Commerce Department's legislative proposal concerning insurers and fraternal benefit societies was incorporated into Senate File 1208. The bill was passed by the Minnesota Legislature and signed into law by Governor Dayton. The pertinent portions of the Department's proposal are summarized below. The full text of the bill is available on the internet. (Note 1)

Article 1 of Senate File 1208

<u>Section No.</u>	<u>Affected Statute</u>	<u>Effective Date</u>
2	60A.60 – Subd. 9 is amended to remove language that limited the applicability of the “trend test calculation” to life & health insurers. “Negative trend” is included in the RBC calculation for <i>all</i> companies.	August 1, 2011
3	60C.03 – Subd. 6 is amended to remove the reference to “Farmers Mutual” fire insurance companies” as this type of entity no longer exists in Minnesota.	August 1, 2011

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| 4 | 61A.25 – Subd. 4(d) is amended to remove the time expiration for applicability to make it ongoing. | August 1, 2011 |
| 5 | 61A.282 – Subd. 2(a) is amended to remove the reference to 61A.275 as it is repealed by way of this legislation. | August 1, 2011 |
| 6 | 68A.03 – Subd. 3 is amended to revise the formula calculation for the statutory premium reserve required to be maintained by title insurers. | August 1, 2011 |
| 7 | 72A.31 – Subd. 1 is amended to remove references to “Farmers Mutual” fire insurance company as this type of entity no longer exists in Minnesota. | August 1, 2011 |
| 9 | REPEAL: 61A.275 and 61A.276, subd. 4 related to separate accounts; 67A.27 - .39 relating to “Farmers Mutual” insurance companies as these entities no longer exist in Minnesota. | August 1, 2011 |

Note 1: The above summary is provided for your convenience and is not intended as legal advice. The statute and the changes thereto are complex and reference to the bill is recommended. The bill may be obtained by accessing the following link:

<https://www.revisor.mn.gov/bin/showPDF.php>