

(ii) A unit of words ending with a period, semicolon or colon, but excluding headings, captions, and lists, shall be counted as a sentence; and

(iii) A syllable means a unit of spoken language consisting of one or more letters of a word as divided by an accepted dictionary. Where the dictionary shows two or more equally acceptable pronunciations of a word, the pronunciation containing fewer syllables may be used.

Sec. 3. Minnesota Statutes 1978, Section 72C.11, Subdivision 1, is amended to read:

72C.11 APPLICATION TO POLICIES, DATES; DUTIES OF THE COMMISSIONER. Subdivision 1. The filing requirements of section 72C.10 shall apply as follows:

(a) To all policies of private passenger vehicle insurance, as described in chapter 65B, and to all policies of homeowner's insurance as defined in the general custom and usage of the business or by a ruling of the commissioner or a court, which are made, issued, amended or renewed after July 1, 1979;

(b) To all policies of life insurance as defined in section 60A.06, subdivision 1, clause (4), to all certificates of a fraternal beneficiary association, as defined in section 64A.31, to all policies of accident and health insurance, as defined in section 60A.06, subdivision 1, clause (5), paragraph (a), to all subscriber contracts of nonprofit health service corporations as defined in section 62.02, and to all health maintenance contracts as defined in section 62D.02, which are made, issued, amended or renewed after July 1, 1980; the commissioner may grant delays of not more than one year in full or partial compliance of accident and health policies; and

(c) To all policies of any additional line or type of insurance within the scope of sections 72C.01 to 72C.13, as provided by any rule promulgated by the commissioner not later than July 1, 1981.

Approved March 17, 1980

CHAPTER 354—S.F.No. 998

An act relating to insurance; providing for cancellation of life insurance contracts providing benefits on a variable basis; amending Minnesota Statutes 1978, Sections 72A.51, Subdivision 3; and 72A.52.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Section 72A.51, Subdivision 3, is amended to read:

Subd. 3. With the exception of a variable annuity contract issued pursuant to sections 61A.13 to 61A.21, a person's cancellation of an insurance policy or

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contract under sections 72A.51 and 72A.52 is without liability on his part and he is entitled to a refund of the entire consideration paid for the policy or contract within ten days after notice of cancellation and the returned policy or contract are received by the insurer or its agent. Cancellation under sections 72A.51 and 72A.52 of a variable annuity contract issued pursuant to sections 61A.13 to 61A.21 shall entitle a person to an amount equal to the sum of (a) the difference between the premiums paid including any contract fees or other charges and the amounts allocated to any separate accounts under the contract and (b) the cash value of the contract, or, if the contract does not have a cash value, the reserve for the contract, on the date the returned contract is received by the insurer or its agent. Cancellation of an insurance policy or contract under sections 72A.51 or 72A.52 makes the policy or contract void from its inception.

Sec. 2. Minnesota Statutes 1978, Section 72A.52, is amended to read:

72A.52 NOTICE REQUIREMENTS. Subdivision 1. In addition to all other legal requirements a policy or contract of insurance described in section 72A.51 shall show the name and address of the insurer and the seller of the policy or contract and shall state, clearly and conspicuously in bold face type of a minimum size of ten points, a notice in the following form or its equivalent: "RIGHT TO CANCEL. You may cancel this policy by delivering or mailing a written notice or sending a telegram to (insert name and mailing address of the insurer or the seller of the policy or contract) and by returning the policy or contract before midnight of the tenth day after the date you receive the policy. Notice given by mail and return of the policy or contract by mail are effective on being postmarked, properly addressed and postage prepaid. The insurer must return all payments made for this policy within ten days after it receives notice of cancellation and the returned policy." For variable annuity contracts issued pursuant to sections 61A.13 to 61A.21, this notice shall be suitably modified so as to notify the purchaser that he is entitled to a refund of the amount calculated in accordance with the provisions of section 72A.51, subdivision 3.

Subd. 2. If a policy or contract of insurance covered by this section is sold without compliance with subdivision 1, the policy or contract may be cancelled by the purchaser at any time within one year after the date of purchase by returning the policy or contract and by giving written notice of cancellation to the insurer or its agent. If a purchaser cancels a policy or contract under this subdivision, the insurer must return the entire consideration paid for the policy or contract within ten days after he receives notice of cancellation and the returned policy or contract, except that if the contract is a variable annuity contract issued pursuant to sections 61A.13 to 61A.21, the insurer shall refund to the purchaser an amount calculated in accordance with the provisions of section 72A.51, subdivision 3.

Sec. 3. This act is effective 60 days after its final enactment and applies to any variable annuity contract, issued pursuant to sections 61A.13 to 61A.21, which is executed, issued, amended, renewed, or delivered after that date.

Approved March 17, 1980

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