

Subd. 3. DESIGNATION OF AGENT FOR SERVICE OF PROCESS. Any person who sells, markets, promotes, advertises, or otherwise distributes any card or other purchasing mechanism or device that is not insurance that purports to offer discounts or access to discounts from pharmacies for prescription drug purchases in this state shall designate a resident of this state as an agent for service of process and register the agent with the secretary of state.

Subd. 4. NONAPPLICATION. This section does not apply to:

(1) the following goods or services provided by an optometrist or ophthalmologist: eye or vision care services, glasses, or contact lenses;

(2) any card or other purchasing mechanism or device that is not insurance and which is administered in conjunction with a medical benefit by a health insurer, or nonprofit health service plan corporation or health maintenance organization;

(3) a benefit administered by or under contract with, the state of Minnesota; or

(4) a customer discount or membership card issued by a store or buying club for use at that store or buying club.

Presented to the governor March 28, 2000

Signed by the governor March 31, 2000, 2:43 p.m.

CHAPTER 304—S.F.No. 2569

An act relating to insurance; authorizing insurance coverage for vicarious liability for punitive and exemplary damages; regulating the terms of certain fraternal benefit society board members; amending Minnesota Statutes 1998, sections 60A.06, by adding a subdivision; and 64B.03.

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

Section 1. Minnesota Statutes 1998, section 60A.06, is amended by adding a subdivision to read:

Subd. 4. VICARIOUS LIABILITY; PUNITIVE DAMAGES. Any insurance corporation or association may insure against vicarious liability for punitive and exemplary damages within any of the kinds of business pertaining to the issuance of liability insurance that the insurance corporation or association is authorized to transact under subdivision 1 or 2.

Sec. 2. Minnesota Statutes 1998, section 64B.03, is amended to read:

64B.03 REPRESENTATIVE FORM OF GOVERNMENT.

(a) A society has a representative form of government when it has a supreme governing body constituted in one of the following ways:

New language is indicated by underline, deletions by ~~strikeout~~.

(1) The supreme governing body is an assembly composed of delegates elected directly by the members or at intermediate assemblies or conventions of members or their representatives, together with other delegates as may be prescribed in the society's laws. A society may provide for election of delegates by mail. The elected delegates shall constitute a majority in number and shall not have less than two-thirds of the votes and not less than the number of votes required to amend the society's laws. The assembly shall be elected and shall meet at least once every four years and shall elect a board of directors to conduct the business of the society between meetings of the assembly. Vacancies on the board of directors between elections may be filled in the manner prescribed by the society's laws.

(2) The supreme governing body is a board composed of persons elected by the members, either directly or by their representatives in intermediate assemblies, and any other persons prescribed in the society's laws. A society may provide for election of the board by mail. Each term of a board member may not exceed four years, except that the commissioner has the discretion to approve completion of a term of office exceeding four years where the board member completing the term was elected pursuant to clause (1). Vacancies on the board between elections may be filled in the manner prescribed by the society's laws. Those persons elected to the board shall constitute a majority in number and not less than the number of votes required to amend the society's laws. A person filling the unexpired term of an elected board member shall be considered to be an elected member. The board shall meet at least quarterly to conduct the business of the society.

(b) A society has a representative form of government when the officers of the society are elected either by the supreme governing body or by the board of directors.

(c) A society has a representative form of government when only benefit members are eligible for election to the supreme governing body and the board of directors.

(d) A society has a representative form of government when each voting member shall have one vote and no vote may be cast by proxy.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

Presented to the governor March 28, 2000

Signed by the governor March 31, 2000, 2:44 p.m.

CHAPTER 305—S.F.No. 3145

An act relating to the city of Minnetonka; providing a variation from the general statutory priority for designation of a qualified newspaper for publication of its official proceedings and public notices.

New language is indicated by underline, deletions by ~~strikeout~~.