

MINNESOTA STATUTES 1979 SUPPLEMENT

79.41 COMPENSATION INSURANCE

79.41 Organizational meeting.

Not more than 30 days after June 8, 1979, the commissioner shall convene an organizational meeting of the board. The board shall be initially composed of nine members appointed by the commissioner as follows: four representatives of insurers, three representatives of employers, and two representatives of employees. The commissioner or his designee shall serve as an ex officio member. The initial directors shall serve until their replacements are elected and installed. The commissioner may appoint replacement directors as necessary until a full board is elected and installed.

[Ex1979 c 3 s 24]

79.42 Submission of plan.

Subdivision 1. Not more than 60 days after the initial organizational meeting of the board, the board shall submit to the commissioner for approval a proposed plan of operation consistent with the objectives and provisions of sections 79.34 to 79.42 which shall provide for the economical, fair, and nondiscriminatory administration of the reinsurance association and for the prompt and efficient payment of losses. If a plan is not submitted within this 60 day period, the commissioner shall formulate and place into effect a plan consistent with this chapter.

Subd. 2. The plan of operation, unless approved sooner in writing, shall be considered to meet the requirements of sections 79.34 to 79.42 if it is not disapproved by written order of the commissioner within 30 days after the date of its submission. Before disapproval of all or any part of the proposed plan of operation, the commissioner shall notify the board in what respect the plan of operation fails to meet the requirements and objectives of sections 79.34 to 79.42. If the board fails to submit a revised plan of operation which meets the requirements and objectives of sections 79.34 to 79.42 within 30 days of the commissioner's notice of the inadequacy of the first plan, the commissioner shall immediately formulate and place into effect a plan consistent with the requirements and objectives of sections 79.34 to 79.42.

Subd. 3. The proposed plan of operation or amendments to the plan of operation shall be subject to approval by the board, with voting rights being apportioned according to the premiums charged, and shall be subject to approval by the commissioner.

Subd. 4. Upon approval by the commissioner and ratification by the members of the submitted plan, or upon the promulgation of a plan by the commissioner, each insurer authorized to write workers' compensation insurance shall be bound by and shall formally subscribe to and participate in the approved plan as a condition of maintaining its authority to transact insurance in this state.

[Ex1979 c 3 s 25]

CHAPTER 80A. REGULATION OF SECURITIES

Sec.
80A.15 Exemptions.

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Subdivision 1. The following securities are exempted from sections 80A.08 and 80A.16:

(a) Any security, including a revenue obligation, issued or guaranteed by the United States, any state, any political subdivision of a state or any corporate or other instrumentality of one or more of the foregoing; but this exemption shall not include any industrial revenue bond.

(b) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any such province, any agency or corporate or other instrumentality of one or more of the foregoing, if the security is recognized as a valid obligation by the issuer or guarantor; but this exemption shall not include any revenue obligation payable solely from payments to be made in respect of property or money used under a lease, sale or loan arrangement by or for a nongovernmental industrial or commercial enterprise.

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REGULATION OF SECURITIES 80A.15

(c) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institution or trust company organized under the laws of any state and subject to regulation in respect of the issuance or guarantee of its securities by a governmental authority of that state.

(d) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state.

(e) Any security issued or guaranteed by any federal credit union or any credit union, or similar association organized and supervised under the laws of this state.

(f) Any security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, the Midwest Stock Exchange, or the Pacific Coast Stock Exchange; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing.

(g) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal which are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television or direct mailing.

(h) Any interest in any employee's savings, stock purchase, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(i) Any security issued or guaranteed by any railroad, other common carrier or public utility which is subject to regulation in respect to the issuance or guarantee of its securities by a governmental authority of the United States.

(j) Any interest in a common trust fund or similar fund maintained by a state bank or trust company organized and operating under the laws of Minnesota, or a national bank wherever located, for the collective investment and reinvestment of funds contributed thereto by such bank or trust company in its capacity as trustee, executor, administrator, or guardian; and any interest in a collective investment fund or similar fund maintained by such bank or trust company, or in a separate account maintained by an insurance company, for the collective investment and reinvestment of funds contributed thereto by such bank, trust company or insurance company in its capacity as trustee or agent, which interest is issued in connection with an employee's savings, pension, profitsharing or similar benefit plan, or a self-employed person's retirement plan.

(k) Any security which meets all of the following conditions:

(1) If the issuer is not organized under the laws of the United States or a state, it has appointed a duly authorized agent in the United States for service of process and has set forth the name and address of the agent in its prospectus;

(2) A class of the issuer's securities is required to be and is registered under section 12 of the Securities Exchange Act of 1934, and has been so registered for the three years immediately preceding the offering date;

(3) Neither the issuer nor a significant subsidiary has had a material default during the last seven years, or for the period of the issuer's existence if less than seven years, in the payment of (i) principal, interest, dividend, or sinking fund installment on preferred stock or indebtedness for borrowed money, or (ii) rentals under leases with terms of three years or more;

(4) The issuer has had consolidated net income, before extraordinary items and the cumulative effect of accounting changes, of at least \$1,000,000 in four of its last five fiscal years including its last fiscal year; and if the offering is of interest bearing securities, has had for its last fiscal year, net income, before deduction for income taxes and depreciation, of at least 1-1/2 times the issuer's annual interest expense, giving effect to the proposed offering and the intended use of the proceeds. For the purposes of this

