

CHAPTER 72A

**PROHIBITIONS; PENALTIES; REGULATION OF
TRADE PRACTICES; UNAUTHORIZED INSUR-
ERS FALSE ADVERTISING PROCESS ACT**

<p>72A.12 Life insurance. 72A.135 Failure to follow dividend and pricing policy; penalties. 72A.20 Methods, acts and practices which are defined as unfair or deceptive.</p>	<p>72A.24 Enforcement of sections 72A.17 to 72A.32. 72A.27 Appeal. 72A.30 Evidential privilege denied; immunity; waiver.</p>
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72A.12 LIFE INSURANCE.

[For text of subs 1 to 4, see M.S.1982]

Subd. 5. **Political contributions prohibited.** No insurance company or association, including fraternal beneficiary associations, doing business in this state, shall, directly or indirectly, pay or use, or offer, consent or agree to pay or use, any money or property for or in aid of any political party, committee or organization, or for or in aid of any corporation, joint stock or other association organized or maintained for political purposes, or for or in aid of any candidate for political office, or for nomination for the office, or for any other political purpose, or for reimbursement or indemnification of any person for money or property used for political purposes. Any officer, director, stockholder, attorney or agent of any corporation or association which violates any of the provisions of this section, who participates in, aids, abets, or advises or consents to any violation, and any person who solicits or knowingly receives any money or property in violation of this section, is guilty of a gross misdemeanor. Any officer aiding or abetting in any contribution made in violation of this section is liable to the company or association for the amount contributed. No person shall be excused from attending and testifying, or producing any books, papers or other documents before any court, upon any investigation, proceeding or trial, for a violation of any of the provisions of this section, upon the ground, or for the reason, that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate or degrade him. No person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may testify or produce evidence, documentary or otherwise, and no testimony given or produced shall be used against him upon any criminal investigation or proceeding.

History: 1983 c 359 s 1

72A.135 FAILURE TO FOLLOW DIVIDEND AND PRICING POLICY; PENALTIES.

An insurer failing to file and adhere to the plan required by section 61A.03, subdivision 2, paragraph (h), is subject to a civil penalty of not more than \$5,000 for each violation.

History: 1983 c 292 s 3

72A.20 METHODS, ACTS AND PRACTICES WHICH ARE DEFINED AS UNFAIR OR DECEPTIVE.

[For text of subs 1 to 14, see M.S.1982]

Subd. 15. **Practices not held to be discrimination or rebates.** Nothing in subdivisions 8, 9, or 10, or in section 72A.12, subdivisions 3 and 4, shall be construed as including within the definition of discrimination or rebates any of the following practices:

(1) In the case of any contract of life insurance or annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders;

(2) In the case of life insurance policies issued on the industrial debit plan, making allowance, to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer, in an amount which fairly represents the saving in collection expense;

(3) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experienced thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year;

(4) In the case of a group health insurance policy, the payment of differing amounts of reimbursement to insureds who elect to receive health care goods or services from providers designated by the insurer, provided that each insurer shall on or before August 1 of each year file with the commissioner summary data regarding the financial reimbursement offered to providers so designated.

Any insurer which proposes to offer an arrangement authorized under this clause shall disclose prior to its initial offering and on or before August 1 of each year thereafter as a supplement to its annual statement submitted to the commissioner pursuant to section 60A.13, subdivision 1, the following information:

(a) the name which the arrangement intends to use and its business address;

(b) the name, address and nature of any separate organization which administers the arrangement on the behalf of the insurers; and

(c) the names and addresses of all providers designated by the insurer under this clause and the terms of the agreements with designated health care providers.

The commissioner shall maintain a record of arrangements proposed under this clause, including a record of any complaints submitted relative to the arrangements.

History: 1983 c 285 s 1

72A.24 ENFORCEMENT OF SECTIONS 72A.17 TO 72A.32.

Subdivision 1. **Court proceedings; review.** Any person required by an order of the commissioner under section 72A.23 to cease and desist from engaging in any unfair method of competition or any unfair or deceptive act or practice defined in section 72A.20 may appeal in accordance with chapter 14.

Subd. 2. [Repealed, 1983 c 247 s 219]

[For text of subds 3 and 4, see M.S.1982]

History: 1983 c 247 s 36

72A.27 APPEAL.

Any decree or order of a district court made and entered under section 72A.24 or section 72A.25 is subject to review by appeal as in other civil cases.

The appeal must be taken within the time prescribed by law for taking appeals from orders of the district courts.

History: 1983 c 247 s 37

72A.30 EVIDENTIAL PRIVILEGE DENIED; IMMUNITY; WAIVER.

A person who asks to be excused from attending and testifying or from producing any books, papers, records, correspondence, or other documents at any hearing on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture, who is nevertheless directed to give the testimony or produce the evidence, shall comply with the direction. However, he shall not subsequently be prosecuted or subjected to any penalty or forfeiture because of any transaction, matter, or thing about which he testified or produced evidence, and no testimony given or evidence produced shall be received against him upon any criminal action, investigation, or proceeding. No person testifying is exempt from prosecution or punishment for perjury committed by him while testifying, and the testimony or evidence given or produced shall be admissible against him upon any criminal action, investigation, or proceeding concerning the perjury. The person is not exempt from the refusal, revocation, or suspension of any license, permission, or authority conferred, or to be conferred, pursuant to the insurance law of this state.

An individual may execute, acknowledge, and file in the office of the commissioner a statement expressly waiving immunity or privilege in respect to any transaction, matter, or thing specified in the statement, and the testimony of that person or any evidence in relation to it may be received or produced before any judge, court, tribunal, grand jury, or otherwise. When it is received or produced, that individual is not entitled to any immunity or privilege on account of any testimony given or evidence produced by that individual.

History: 1983 c 359 s 2