

## CHAPTER 61B

## LIFE AND HEALTH GUARANTY ASSOCIATION

61B.06 Powers and duties of the association.

61B.12 Miscellaneous provisions.

**61B.06 POWERS AND DUTIES OF THE ASSOCIATION.***[For text of subs 1 to 8, see M.S.1990]*

**Subd. 8a. Adjustment of liability limits.** To the extent there are any limits for particular policies covered under this chapter, the dollar amounts stated in subdivision 8 shall be adjusted for inflation based upon the implicit price deflator for the gross national product compiled by the United States Department of Commerce and hereafter referred to as the index. The dollar amounts stated in subdivision 8 are based upon the value of the index for January 1990, which is the reference base index for purposes of this subdivision. The dollar amounts in subdivision 8 shall change on October 1 of each year after 1992, based upon the percentage difference between the index for January of the preceding year and the reference base index, calculated to the nearest whole percentage point. The commissioner shall announce and publish, on or before April 30 of each year, the changes in the dollar amounts required by this clause to take effect on October 1 of that year.

**Subd. 9. Powers of association.** (a) The association may:

(1) enter into contracts necessary or proper to carry out the provisions of sections 61B.01 to 61B.16 and their purpose;

(2) sue or be sued, including the taking of legal actions necessary or proper for recovery of unpaid assessments under section 61B.07;

(3) borrow money to effect the purposes of sections 61B.01 to 61B.16. Any notes or other evidence of indebtedness of the association not in default shall be legal investments for domestic insurers and may be carried as admitted assets;

(4) employ or retain persons necessary to handle the financial transactions of the association, and perform other necessary or proper functions;

(5) negotiate and contract with any liquidator, rehabilitator, conservator, or ancillary receiver to carry out the powers and duties of the association;

(6) take legal action as may be necessary to avoid payment of improper claims; and

(7) exercise, for the purposes of sections 61B.01 to 61B.16 and to the extent approved by the commissioner, the powers of a domestic life or health insurer, but in no case may the association issue insurance policies or annuity contracts other than those issued to perform the contractual obligations of an impaired insurer.

(b) The association must borrow any money necessary to effect the purposes of sections 61B.01 to 61B.16. Any notes or other evidence of indebtedness of the association not in default are legal investments for domestic insurers and may be carried as admitted assets.

**History:** 1991 c 325 art 5 s 2,3

**NOTE:** Subdivision 8a, as added by Laws 1991, chapter 325, article 5, section 2, is effective August 1, 1992. See Laws 1991, chapter 325, article 5, section 6.

**NOTE:** Subdivision 9, as amended by Laws 1991, chapter 325, article 5, section 3, is effective August 1, 1992. See Laws 1991, chapter 325, article 5, section 6.

**61B.12 MISCELLANEOUS PROVISIONS.***[For text of subs 1 to 5, see M.S.1990]*

**Subd. 6. Notice concerning limitations and exclusions.** On and after January 1, 1992, no person, including an insurer, agent, or affiliate of an insurer or agent, shall

offer for sale in this state a covered life insurance, annuity, or health insurance policy or contract without delivering at the time of application for that policy or contract a separate notice in the form the commissioner from time to time may approve for use in this state relating to coverage provided by the Minnesota Life and Health Insurance Guaranty Association. The notice must be signed by the applicant and kept on file by the person offering the policy or contract for sale. A copy of the signed notice must be given to the applicant.

**Subd. 7. Effect of notice.** The distribution, delivery, or contents or interpretation of the notice described in subdivision 6 shall not mean that either the policy or contract, or the owner or holder thereof, would be covered in the event of the impairment of a member insurer if coverage is not otherwise provided by this chapter. Failure to receive the notice does not give the policyholder, contract holder, certificate holder, insured, owner, beneficiaries, assignees, or payees any greater rights than those provided by this chapter.

**History:** 1991 c 325 art 5 s 4,5