

CHAPTER 60K

INSURANCE AGENTS, LICENSING

60K.03 License application.

60K.14 Prohibited acts; required acts.

60K.03 LICENSE APPLICATION.

[For text of subs 1 to 6, see M.S.1994]

Subd. 7. **Exceptions.** The following are exempt from the general licensing requirements prescribed by this section:

- (1) agents of township mutuals who are exempted pursuant to section 60K.04;
- (2) fraternal benefit society representatives exempted pursuant to section 60K.05;
- (3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer, provided that a licensed agent must participate in the sale of the insurance;
- (4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications for insurance;
- (5) employees of a creditor who enroll debtors for credit life, credit accident and health, or credit involuntary unemployment insurance; provided the employees receive no commission or fee for it;
- (6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums;
- (7) rental vehicle companies and their employees in connection with the offer of rental vehicle personal accident insurance under section 72A.125; and
- (8) employees of a retailer who enroll purchasers for credit insurance associated with a retail purchase; provided the employees receive no commission, fee, bonus, or other form of compensation for it.

History: 1995 c 258 s 13

60K.14 PROHIBITED ACTS; REQUIRED ACTS.

Subdivision 1. **Personal solicitation of insurance sales.** (a) **Definitions.** For the purposes of this section, the following terms have the meanings given them:

- (1) "agent" means a person, copartnership, or corporation required to be licensed pursuant to section 60K.02; and
 - (2) "personal solicitation" means any contact by an agent, or any person acting on behalf of an agent, made for the purpose of selling or attempting to sell insurance, when either the agent or a person acting for the agent contacts the buyer by telephone or in person, except:
 - (i) an attempted sale in which the buyer personally knows the identity of the agent, the name of the general agency, if any, which the agent represents, and the fact that the agent is an insurance agent;
 - (ii) an attempted sale in which the prospective purchaser of insurance initiated the contact; or
 - (iii) a personal contact which takes place at the agent's place of business.
- (b) **Disclosure requirement.** Before a personal solicitation, the agent or person acting for an agent shall, at the time of initial personal contact with the potential buyer, clearly and expressly disclose in writing:
- (1) the name and state insurance agent license number of the person making the contact;
 - (2) the name of the agent, general agency, or insurer that person represents; and

(3) the fact that the agent, agency, or insurer is in the business of selling insurance.

If the initial personal contact is made by telephone, the disclosures required by this subdivision need not be made in writing.

(c) **False representation of government affiliation.** No agent or person acting for an agent shall make any communication to a potential buyer that indicates or gives the impression that the agent is acting on behalf of a government agency.

[For text of subs 2 to 7, see M.S.1994]

History: 1995 c 258 s 14

NOTE: The amendments to subdivision 1 by Laws 1995, chapter 258, section 14, are effective January 1, 1997. See Laws 1995, chapter 258, section 68.