

60A.196 DEFINITIONS.

Unless the context otherwise requires, the following terms have the meanings given them for the purposes of sections 60A.195 to 60A.209:

(a) "Affiliated group" means a group which includes the insured and any entity, or group of entities, that controls, is controlled by, or is under common control with the insured. An entity has control over another entity when: (1) the entity directly, indirectly, or acting through one or more persons owns, controls, or has the power to vote 25 percent or more of any class of voting securities of the other entity; or (2) the entity controls in any manner the election of a majority of the directors or trustees of the other entity.

(b) "Alien insurer" means any insurer which is incorporated or otherwise organized outside of the United States.

(c) "Association" means an association registered under section 60A.208.

(d) "Eligible surplus lines insurer" means a nonadmitted insurer recognized as eligible to write insurance business under sections 60A.195 to 60A.209.

(e) "Exempt commercial purchaser" means any person purchasing commercial insurance that, at the time of placement, meets the following requirements:

(1) the person employs or retains a qualified risk manager to negotiate insurance coverage;

(2) the person has paid aggregate nationwide commercial property and casualty insurance premiums in excess of \$100,000 in the immediately preceding 12 months;

(3) the person meets at least one of the following criteria:

(i) the person possesses a net worth in excess of \$20,000,000, as such amount is adjusted pursuant to clause (4);

(ii) the person generates annual revenues in excess of \$50,000,000, as such amount is adjusted pursuant to clause (4);

(iii) the person employs more than 500 full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than 1,000 employees in the aggregate;

(iv) the person is a not-for-profit organization or public entity generating annual budgeted expenditures of at least \$30,000,000, as such amount is adjusted pursuant to clause (4); or

(v) the person is a municipality with a population in excess of 50,000 persons.

(4) Effective January 1, 2015, and every five years thereafter, the amounts in clause (3), items (i), (ii), and (iv), shall be adjusted to reflect the percentage change for the five-year period in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

(f) "Home state" means the state in which an insured maintains its principal place of business, or in the case of an individual, the individual's principal residence. If 100 percent of the insured risk is located out of the state, the term means the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated. If more than one insured from an affiliated group are named insureds on a single nonadmitted insurance contract, the term means the home state of the member of the affiliated group that has the largest percentage of premium attributed to it under that insurance contract.

(g) "Ineligible surplus lines insurer" means a nonadmitted insurer not recognized as an eligible surplus lines insurer under sections 60A.195 to 60A.209.

(h) "Insurance laws" means chapters 60 to 79 inclusive.

(i) "Nonadmitted insurance" means any property and casualty insurance permitted to be placed directly or through a surplus lines broker with a nonadmitted insurer in this state only under sections 60A.195 to 60A.209.

(j) "Nonadmitted insurer" means an insurer not licensed to engage in the business of insurance in Minnesota, but does not include a risk retention group, as the term is defined in section 2(a)(4) of the Liability Risk Retention Act of 1986, United States Code, title 15, section 3901(a)(4).

(k) "Qualified risk manager" means, with respect to a policyholder of commercial insurance, a person who meets all of the following requirements:

(1) the person is an employee of, or third-party consultant retained by, the commercial policyholder;

(2) the person provides skilled services in loss prevention, loss reduction, or risk and insurance coverage analysis, and purchase of insurance;

(3) the person:

(i) has a bachelor's degree or higher from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by a state insurance commissioner or other state regulatory official or entity to demonstrate minimum competence in risk management and has three years of experience in risk financing, claims administration, loss prevention, risk and insurance analysis, or purchasing commercial lines of insurance;

(ii) has a designation as a Chartered Property and Casualty Underwriter (CPCU) issued by the American Institute for CPCU/Insurance Institute of America, an Associate in Risk Management (ARM) issued by the American Institute for CPCU/Insurance Institute of America, a Certified Risk Manager (CRM) issued by the National Alliance for Insurance Education and Research, a RIMS Fellow (RF) issued by the Global Risk Management Institute, or any other designation, certification, or license determined by a state insurance commissioner or other state insurance regulatory official or entity to demonstrate minimum competency in risk management;

(iii) has at least seven years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance and one of the designations specified in item (ii);

(iv) has at least ten years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance; or

(v) has a graduate degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by a state insurance commissioner or other state regulatory official or entity to demonstrate minimum competence in risk management.

(l) "Stamping" means electronically assigning a unique identifying number that is specific to a submitted policy, contract, or insurance document.

(m) "Surplus lines broker" or "broker" means an individual, firm, or corporation which is licensed in this state to sell, solicit, or negotiate insurance on properties, risks, or exposures located or to be performed in this state with nonadmitted insurers only under sections 60A.195 to 60A.209.

History: *1981 c 221 s 2; 1987 c 337 s 11; 2008 c 366 art 17 s 1; 2011 c 108 s 11*