

# House Research Act Summary

**CHAPTER:** 95 (S.F. 1125/H.F. 1405)

**SESSION:** 2011 Regular Session

**TOPIC:** Processing of insurance claims on portable electronics products

**Date:** August 1, 2011

**Analyst:** Tom Pender (651) 296-1885

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

## Overview

This act regulates processing of insurance (warranty) claims on portable consumer electronics products, such as cell phones. A claim usually results in the consumer receiving a replacement of the product. This type of insurance is usually purchased from retailers at the point of sale. Its sale is regulated under sections 60K.381 and 60K.55, subdivision 2, both enacted in 2010. All sections of this act are effective January 1, 2012.

- 1**      **Automated claims adjudication system.** Defines this type of computer system, which is designed to process insurance claims on portable electronics. Specifies that it must be used only by personnel permitted under Minnesota law to use it and must comply with Minnesota insurance adjusting laws.
- 2**      **Requirement; exceptions.** Adds a person processing portable electronics claims to a statutory list of types of insurance claims processing personnel who do not need to be licensed as an insurance adjuster if the person is employed by a licensed independent adjuster or its affiliate and is adequately supervised. States what qualifies as adequate supervision.
- 3**      **Application.** Specifies how a resident of Canada may become licensed as an insurance adjuster in Minnesota. This section is not limited to adjusting of portable electronics claims.
- 4**      **Criminal history record check; fingerprints.** Specifies the information that must be provided by a business entity applying for a resident independent insurance adjuster license.
- 5**      **Business entity.** Same as preceding section, but applies to executive officers and directors of business entities applying for a resident independent insurance license. Requires the same information as preceding section, but does not require a bond. Also applies to executive officers and directors of entities, and to individuals, that own more than 50 percent of the business entity applying for the license.
- 6**      **Nonresidents.** Permits the commissioner of commerce to issue a nonresident insurance adjuster license to a resident of Canada, if the individual is licensed as a resident adjuster in another state. Exempts that individual from section 270C.72, subdivision 4, which requires "licensing authorities"

(the commissioner of commerce in this case) to require applicants for state licenses to provide their social security number and Minnesota business identification number on the license application, so that the commissioner of revenue can obtain the information from the licensing authority upon request.