

HOUSE RESEARCH

Bill Summary

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Authors: Atkins and Hoppe

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Analyst: Tom Pender (651) 296-1885

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Overview

This bill makes a variety of changes in laws affecting industries and activities regulated by the Minnesota Department of Commerce.

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- 1 Consumer fraud bureau.** Renames the division of the Department of Commerce that focuses on fraud prevention. The new name is the “Commerce Fraud Bureau.” The previous name is the “Division of Insurance Fraud Prevention.” The jurisdiction of the renamed agency will remain limited to insurance fraud. Makes matching name changes in 12 subdivisions of this section.
- 2 Power to compel production of evidence.** Requires that a subpoena issued by the Department of Commerce in connection with an investigation or similar proceeding must state that the person to whom it is directed must not disclose the fact that the subpoena was issued or that the requested records have been provided to law enforcement personnel, unless the disclosure is necessary to find and disclose the records requested or if permitted by a court order.
- 3 Education provider.** Provides that an education provider is responsible for actions taken by its coordinators or instructors while teaching license education courses. (Those are courses required for licensure of insurance agents, real estate salespersons, residential mortgage servicers, and other occupations regulated by the Department of Commerce.) Also requires education providers to make sure that people acting as coordinators of education required for licensure have been approved for that role by the Department.
- 4 Reporting requirements.** Provides that the department may impose a civil penalty of up to

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\$500 per violation and up to \$10,000 per course offering on an education provider who fails to report an individual licensee's completion of a course to the department.

- 5 Prohibited exclusion; certain property and casualty policies.** Prohibits auto insurance and related insurance policies to exclude or limit coverage for liability for bodily injuries solely because the injured person lives in the insured's household or is related to the insured.
- 6 Actuarial opinion of reserves and supporting documentation.** Requires property and casualty insurance companies to annually submit an actuarial opinion to the department. Provides details about what is required in the report and under what circumstances the report is required.
- 7 Confidentiality.** Gives more detail about the actuarial report required in the preceding section.
- 8 Definition.** Adds to a definition involving the financial solvency of insurance companies by providing a provision specific to property/casualty insurance companies. Also makes a similar change for life and health insurers.
- 9 Disability and income loss benefits.** Doubles the maximum weekly amounts auto insurance companies are required to pay to injured persons for disability and income loss, from \$250 to \$500.
- 10 Funeral and burial expenses.** Increases the maximum required no-fault auto insurance benefits for funeral and burial expenses from \$2,000 to \$5,000.
- 11 Mandatory submission to binding arbitration.** Provides that if "assigned claims" against an auto insurer are submitted in a binding arbitration proceeding, the aggregate amount of those claims is treated as one claim for purposes of the arbitration proceeding. If they total \$10,000 or more, they do not qualify for binding arbitration and must be dealt with in district court. ("Assigned claims" are usually claims in which an injured person assigns his or her claim against an insurance company to a health care provider who treated the injury.)
- 12 Health care provider claims arbitration limited.** Prohibits health care providers from submitting claims against insurers to arbitration based upon the provider's claim as the assignee of the insured's rights against the insurer.
- 13 Health claims; rights of appeal.** Clarifies that for purposes of appeals, an "insured" does not include a person that received an assignment of benefits. For instance, a health care provider that received an assignment of benefits from an insured patient is not an "insured" for purposes of rights to appeal the insurer's denial of claim. Removes obsolete language in paragraph (g).
- 14 Acceptable securities.** Updates and amends the list of securities that are acceptable for funding single-employer and employer group self-insurance plans.
- 15 Criminal history record check; fingerprints.** This section involves a requirement that applicants for a real estate appraiser license submit to a criminal history records check and

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provide fingerprints. This applies to initial licensing and renewals.

- 16 **Supervision of trainee real property appraisers.** Adds two new requirements for real property appraisers who supervise trainees.
- 17 **Conformance to Appraiser Qualifications Board criteria.** Updates and removes obsolete language relating to requirements for real property appraisers.
- 18 **Generally.** Specifies education and experience prerequisites for taking the real property appraiser exam.
- 19 **Trainee real property appraiser.** Specifies the prerequisites for licensure as a trainee real property appraiser.
- 20 **Licensed real property appraiser.** Specifies education requirements for becoming a licensed real property appraiser.
- 21 **Certified residential real property appraiser.** Specifies updated education requirements for becoming a certified residential real property appraiser.
- 22 **Certified general real property appraiser.** Similar to preceding section, but applies to general real property appraisers.
- 23 **Appraiser prelicense education.** Provides a new optional path for prelicense education of real property appraisers.
- 24 **Service of notice, order, or other document from commission.** Requires regulated utilities and state agencies to provide to the Public Utilities Commission (“PUC”) electronic addresses for purposes of electronic service of notices by the PUC.
- 25 **Service by a party, participant, or other interested party.** Same as preceding section, but applies to notices sent by parties other than the PUC.
- 26 **Service of notice.** Same as preceding sections relating to PUC-related notices.
- 27 **Definitions.** Adds the Commerce Fraud Bureau to a list of law enforcement agencies used by the Bureau of Criminal Apprehension (“BCA”).
- 28 **Diesel fuel oil.** Corrects a technical specification of a type of diesel fuel oil for purposes of regulation by the Weights and Measures Division of the Department of Commerce. The correction corrects an error in House File 634, which was presented to the governor on May 13, 2013.
- 29 **Revisor instruction.** Requires the revisor of statutes to change references in statute and rules to the “Division of Insurance Fraud” to instead reference the “Commerce Fraud Bureau.”
- 30 **Repealer.** Repeals obsolete statutes relating to petroleum tank releases, agricultural storage tank removal, and prior appraiser qualification requirements.

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31 **Effective date; application.** Makes sections 9 to 13 effective January 1, 2014, and apply to motor vehicle insurance policies issued or renewed on or after that date.