

HOUSE RESEARCH

Bill Summary

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Overview

This bill amends current law related to general insurance powers.

Section

1 Foreign languages. This section authorizes insurance policies and other materials to be distributed in languages other than English. In the event of a dispute over the terms of the contract, the English language version is controlling. For non-English versions that must be filed with the commissioner, a substantively identical English translation must be attached.

2 Electronic Notices.

Subd. 1. Terms defined. Defines terms for use in this section.

Subd. 2. Requirements. Requires that any notice to a party which is delivered, stored, or presented in electronic format is done so in compliance with the Uniform Electronic Transactions Act.

Subd. 3. Equivalent to other required methods. States that electronic delivery carried out in compliance with this section is the legal equivalent of delivery by other authorized means.

Subd. 4. Conditions for electronic delivery. This subdivision lays out the conditions of electronic delivery. The bill requires informed consent to electronic delivery, which requires a party to affirmatively consent after being notified of their right to receive paper copies as well as their right to withdraw consent. A party must also be made aware of the technical requirements associated with electronic delivery before giving consent. Finally, the insurer must notify a consenting party if, at a later

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date, the hardware requirements for electronic delivery are changed.

Subd. 5. Content or timing not affected. This subdivision states does not affect timing or content requirements for notices or documents under other laws.

Subd. 6. Verification or acknowledgement of receipt. For any documents which require verification of receipt under other law, electronic delivery is only allowed where verification of receipt is available.

Subd. 7. Failure to obtain consent. Failure to gain consent of a party is not sufficient grounds to deny a contract or policy of insurance previously executed by a party.

Subd. 8. Withdrawal of consent. A party may withdraw consent for electronic delivery. Withdrawal of consent does not affect the enforceability or validity of a notice or document delivery. Withdrawal of consent is effective within a reasonable period of time after receipt of the withdrawal.

Subd. 9. Prior consent. Allows insurers to treat consent to electronic delivery which was provided prior to passage of this act as effective for future consent if the insurer notifies the party of the documents which will be electronically delivered and gives the party an opportunity to withdraw consent.

Subd. 10. Property and casualty policies and endorsements. This subdivision applies to property and casualty policies and endorsements. It allows for delivery of contracts that do not contain personally identifying information to be mailed, delivered, or posted on the insurer's Web site. If these policies are posted, the insurer must comply with a number of conditions. The policy must remain online as long as the policy is in effect, and after expiration of the policy the insurer must archive the policy for five years while making it available on request. It must be printable by the insured. Each page of the electronic version must also contain certain information identifying the specific policy, a method to obtain a paper copy, and an internet address where the policy is posted. Finally, the insurer must provide notices to the insured, in the format the insured prefers, of any changes to the forms or endorsements posted.

Subd. 11. Oral communications. Allows oral communications, in some circumstances, to meet the requirement for notice.

- 3 Policy provisions.** Deletes requirement that certain requirements be printed in the English language.
- 4 Repealer.** Repeals administrative rule which requires the English language to be used in the printing of all insurance coverage policies.