

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 1101

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 10-19-84
DATE FOR REVIEW 10-28-84
DATE DUE 11-2-84

Adopted w/a hearing _____
Adopted w/o hearing ✓
Temporary rule _____

Approved 10-31-84 mjc Disapproved _____ Returned to Agency _____

Resubmitted _____ Due _____
Approved _____ Disapproved _____ Returned to Agency _____

Date filed w/Secretary of State 11/1/84 Revisor approved 10/22/84 disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed

✓ Order Adopting 8.30.84 Date

✓ Notice of Intent to Solicit Outside Opinion SR. 3.5.84

✓ Order for rulemaking
N/A date of Hearing

N/A Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
✓ Sufficiency

✓ Affidavit of Mailing Notice or rulemaking
6.14.84 At least 30 days prior to ~~hearing~~/adoption

✓ Mailing list Certificate

✓ Publication in State Register
6 18 84 At least 30/~~20~~ days prior to ~~hearing~~/adoption

N/A Hearing Examiner's Report

Chief Hearing Examiner's Report(s)
_____ Approving H.E.'s Report
_____ Approving agency action

✓ Agency's Findings of Fact

N/A LCRAR Report or agency Affidavit

Certificate of Board's Resolution Adopting Rules

Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness statement of no effect on small biz

N/A Petition for Adoption of a Rule

C Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials)

✓ Certificate of Compliance w/Rulemaking Procedures

✓ Affidavit of Mailing Notice of Submission to Attorney General

N/A Notice of Submission to the Attorney General

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

Office Memorandum

TO: JUDITH WEHRWEIN,
Legal Assistant
Administrative Attorney General's Office

DATE: Oct. 19, 1984

FROM: RICHARD G. GOMSRUD
General Counsel

PHONE: 6-5689

SUBJECT: Rules Governing Group Insurance Coverage Replacement #RD536

Enclosed are the proposed rules.

RGG:rw

cc: Thomas Pursell

RECEIVED
OCT 19 1984
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : Michael A. Hatch, Commissioner
Department of Commerce

DATE: November 1, 1984

ATTN: Thomas F. Pursell
Special Assistant Attorney General

FROM : Martha J. Casserly MJC
Special Assistant Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of the Proposed Adoption of Rules Relating to the Liability of a Prior and Succeeding Group Insurance Carrier

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Please note that they have not been filed with the State Register. This must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of stamps of the Attorney General and Secretary of State;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages to the rules in the approved set.

If you have any questions in this regard, please contact me.

MJC:slz

Encs.

cc: Ms. Kathy Burek
Mr. Duane Harves

AG copy?

Department of Commerce

Adopted Rules Relating to the Liability of a Prior and Succeeding Group Insurance Carrier

Rules as Adopted

2755.0400 LIABILITY OF PRIOR CARRIER.

The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of benefits at the time of replacement. "Accrued liability" includes, but is not limited to, responsibility for covered inpatient hospital expenses, subject to applicable deductibles, copayments, and limitations, incurred by a covered individual who is confined in a hospital on the date of replacement. The responsibility on the part of the prior carrier continues until the covered individual is discharged from the hospital or contract maximums have been reached, whichever first occurs.

? what else

2755.0500 LIABILITY OF SUCCEEDING CARRIER.

Subpart 1. [Unchanged.]

Subp. 2. **Coverage for individuals not eligible under subpart 1.** Each individual who is not eligible for coverage in accordance with subpart 1 shall nevertheless be covered by the succeeding carrier in accordance with the following rules, provided that such individual (including an individual who has exercised the option for continuation of coverage pursuant to Minnesota Statutes, sections 62A.148 and 62A.17) was validly covered under the prior plan on the date it was discontinued and such individual is a member of a class of individuals otherwise eligible for coverage under the succeeding carrier's plan.

A. and B. [Unchanged.]

Subp. 3. to 6. [Unchanged.]

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

APPROVED AS TO FORM AND LEGALITY

October 31 1984

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY MJ Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
NOV - 1 1984 2:57 P.M.
Joan Anderson Growe
Secretary of State

Rules as Proposed

2755.0400 LIABILITY OF PRIOR CARRIER.

The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of benefits ~~pursuant to its existing contractual liability~~ at the time of replacement. "Accrued liability" includes, but is not limited to, responsibility for inpatient hospital expenses incurred by a covered individual who is confined in a hospital on the date of replacement. The responsibility on the part of the prior carrier continues until the covered individual is discharged from the hospital or contract maximums have been reached, whichever first occurs.

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A. and B. [Unchanged.]

Subp. 3. to 6. [Unchanged.]

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Adoption of Rules Relating to the Liability of a Prior and Succeeding Group Insurance Carrier

ORDER ADOPTING RULES

Notice of the Commissioner's intent to adopt the above-entitled rules without a public hearing was published in the State Register on June 18, 1984 and was sent by the United States mail to all persons on the list maintained by the Department of Commerce pursuant to Minn. Stat. Section 14.14, subd. 1a, on June 14, 1984.

After affording interested and affected persons an opportunity to submit comments for 30 days after Notice, receiving fewer than twenty-five (25) written requests for a public hearing within the 30-day comment period, reviewing and considering the comments, and determining the need for and reasonableness of the above-captioned rules,

NOW, THEREFORE, IT IS ORDERED that these rules identified as Group Insurance Coverage Replacement are adopted this 30th day of August, 1984 pursuant to authority vested in me by Minn. Stat. Section 60A.082.

Michael A. Hatch
Commissioner of Commerce

OFFICIAL NOTICES

Pursuant to the provisions of Minn. Stat. § 15.0412, subd. 6, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

Department of Commerce

Outside Opinion Sought Regarding Proposed Amendments to Rules Relating to Group Insurance Coverage Replacement Including the Impact of the Rules on Small Businesses

Notice is hereby given that the Department of Commerce is seeking information or opinions from persons outside the agency in preparing to promulgate amendments to rules governing group insurance coverage replacement. Promulgation of these amendments is authorized by Minnesota Statutes, section 60A.082.

Outside opinion is also being solicited as to how these amendments to rules will affect small businesses as defined by Minnesota Laws 1983, ch. 188, codified as Minnesota Statutes § 14.115, subd. 1.

The Department of Commerce requests information and comments concerning the subject matter of these amendments. Interested or affected persons or groups may submit statements of information or comment orally or in writing to: Judith Hale, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101, (612) 297-3976.

All statements of information and comment shall be accepted until April 4, 1984. Any written material received by the Department of Commerce shall become part of the record in the event that the amendments to rules are promulgated.

Michael A. Hatch
Commissioner of Commerce

Department of Commerce

Outside Opinion Sought Regarding Proposed Rules Relating to Workers' Compensation Self-Insurance Including the Impact of the Rules on Small Businesses

Notice is hereby given that the Department of Commerce is seeking information or opinions from persons outside the agency in preparing to promulgate new rules governing workers' compensation self-insurance. Promulgation of these rules is authorized by Minnesota Statutes, section 176.181, subd. 2.

Outside opinion is also being solicited as to how these rules will affect small businesses as defined by Minnesota Laws 1983, ch. 188, codified as Minnesota Statutes § 14.115, subd. 1.

The Department of Commerce requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing to: John Klein, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101, (612) 297-3238.

All statements of information and comment shall be accepted until April 4, 1984. Any written material received by the Department of Commerce shall become part of the record in the event that the rules are promulgated.

Michael A. Hatch
Commissioner of Commerce

Department of Education
Operations Division

Public Meeting Notice, Special Education Advisory Council

The meeting of the Minnesota Special Education Advisory Council scheduled for March 8 & 9 has been cancelled. The next SEAC meeting is scheduled for April 23 & 24 at 9:00 a.m. at the Sheraton-Midway Hotel in St. Paul. Agenda topics include: Review of Program Guidelines for Hearing Impaired, Visually Handicapped, and Physically and Other Health Impaired; Child Count Data; Update on Effectiveness/Evaluation Grants; Transition to Work Project and the Comprehensive System of Personnel Development (CSPD).

For additional information contact Barbara S. Burke, Special Education Section, at (612) 296-8588.

State of Minnesota
Department of Commerce

Notice of Intent to Solicit Outside Opinion Regarding Proposed Amendments to Rules Relating to Group Insurance Coverage Replacement including the Impact of the Rules on Small Businesses

Notice is hereby given that the Department of Commerce is seeking information or opinions from persons outside the agency in preparing to promulgate amendments to rules governing group insurance coverage replacement. Promulgation of these amendments is authorized by Minnesota Statutes, section 60A.082.

Outside opinion is also being solicited as to how these amendments to rules will affect small businesses as defined by Minnesota Laws 1983, ch. 188, codified as Minnesota Statutes § 14.115, subd. 1.

The Department of Commerce requests information and comments concerning the subject matter of these amendments. Interested or affected persons or groups may submit statements of information or comment orally or in writing to: Judith Hale, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101, (612) 297-3976.

All statements of information and comment shall be accepted until April 4, 1984. Any written material received by the Department of Commerce shall become part of the record in the event that the amendments to rules are promulgated.

Michael A. Hatch
Commissioner of Commerce

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Adoption of Rules Relating to Group Insurance Coverage Replacement

ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT PUBLIC HEARING

IT IS ORDERED this 14th day of June, 1984 that Notice of Intent to Adopt Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the Department of Commerce for that purpose and be published in the State Register.

Michael A. Hatch
Commissioner of Commerce

MINNESOTA RULES AMENDMENTS AND ADDITIONS

SECRETARY OF STATE

8260.0100-8260.0500 (proposed) 2712

SMALL BUSINESS FINANCE AGENCY

8300.0100, 8300.0300, 8300.0500-8300.0600, 8300.1000-8300.1200, 8300.1500-8300.2200 (proposed; see Energy & Econ. Dev.) 2056

8300.0200, 8300.0700 (repealed; see Energy & Econ. Dev.) .. 2056

WASTE MANAGEMENT BOARD

9200.6000-9200.6009 (proposed) 2567

DEPARTMENT OF PUBLIC WELFARE (HUMAN SERVICES)

9500.0530, 9500.0361, 9500.0531-9500.0533, 9555.3400-9555.3408 (proposed) 2363

PROPOSED RULES

Pursuant to Minn. Stat. of 1980, §§ 14.21, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.13-14.20 which state that if an agency decides to hold a public hearing, it must publish in the *State Register* a notice of its intent to do so. This notice must appear at least 30 days prior to the date set for the hearing, along with the full text of the proposed rules. (If the agency has followed the provisions of subd. 4h and has already published the proposed rules, a citation to the prior publication may be substituted for republication.)

Pursuant to Minn. Stat. § 14.29, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 20 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Commerce

Proposed Rules Relating to the Liability of a Prior and Succeeding Group Insurance Carrier

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce proposes to adopt the above-entitled rules without a public hearing. The Commissioner of Commerce has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, section 14.21.

Persons interested in these rules shall have 30 days to submit comments in support of or in opposition to the rules. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change.

No public hearing will be held unless twenty-five (25) or more persons make a written request for a hearing within the 30-day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, section 14.14, subd. 1.

Persons who wish to submit comments or a written request for a public hearing should submit them to Judith Hale, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101 (612) 297-3976.any person requesting a public hearing should state her/his name and address, identify the portion of the proposed rule addressed, the reason for the request and any change proposed and send this information to the above address.

Authority for the adoption of these rules is contained in Minnesota Statutes, section 60A.082. Additionally, a statement of need and reasonableness describing the need for and reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Upon adoption of the final rules without a public hearing, the proposed rules, this notice, the statement of need and

Reasonableness, all written comments received, and the final rules as adopted will be delivered to the Attorney General review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should subm written statement of such request to Debbi Lindlief, Department of Commerce, 500 Metro Square Bldg., St. Paul, MN 551

A copy of the proposed rules is attached to this notice.

Copies of this notice and the proposed rules are available and may be obtained by contacting Debbi Lindlief at the abc address.

Michael A. Hatch
Commissioner of Commer

Rules as Proposed

2755.0400 LIABILITY OF PRIOR CARRIER.

The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of bene ~~pursuant to its existing contractual liability~~ at the time of replacement. "Accrued liability" includes, but is not limited responsibility for inpatient hospital expenses incurred by a covered individual who is confined in a hospital on the date replacement. The responsibility on the part of the prior carrier continues until the covered individual is discharged from hospital or contract maximums have been reached, whichever first occurs.

2755.0500 LIABILITY OF SUCCEEDING CARRIER.

Subpart 1. [Unchanged.]

Subp. 2. Coverage for individuals not eligible under subpart 1. Each individual who is not eligible for coverage in accordar with subpart 1 shall nevertheless be covered by the succeeding carrier in accordance with the following rules, provided t such individual (including an individual who has exercised the option for ~~extension of benefits~~ continuation of cover pursuant to Minnesota Statutes, sections 62A.148 and 62A.17) was validly covered under the prior plan on the date it v discontinued and such individual is a member of a class of individuals otherwise eligible for coverage under the succeed carrier's plan.

A. and B. [Unchanged.]

Subp. 3. to 6. [Unchanged.]

Department of Commerce

Proposed Rules Relating to Automobile Insurance Nonrenewals

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce proposes to adopt the above-entitled rules without a public heari The Commissioner of Commerce has determined that the proposed adoption of these rules will be noncontroversial in nat and has elected to follow the procedures set forth in Minnesota Statutes, section 14.21.

Persons interested in these rules shall have 30 days to submit comments in support of or in opposition to the rules. Ea comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change propos The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do result in a substantial change.

No public hearing will be held unless twenty-five (25) or more persons make a written request for a hearing within the 30-c comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnes Statutes, section 14.14, subd. 1.

Persons who wish to submit comments or a written request for a public hearing should submit them to William Ky Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101 (612) 296-6944. Any person requesting a pub hearing should state her/his name and address, identify the portion of the proposed rule addressed, the reason for the requ and any change proposed and send this information to the above address.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

State of Minnesota
Department of Commerce

In the Matter of the Proposed Adoption of Rules
Relating to Group Insurance Coverage Replacement

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce proposes to adopt the above-entitled rules without a public hearing. The Commissioner of Commerce has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, section 14.21.

Persons interested in these rules shall have 30 days to submit comments in support of or in opposition to the rules. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change.

No public hearing will be held unless twenty-five (25) or more persons make a written request for a hearing within the 30-day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, section 14.14, subd. 1.

Persons who wish to submit comments or a written request for a public hearing should submit them to Judith Hale, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101 (612) 297-3976. Any person requesting a public hearing should state her/his name and address, identify the portion of the proposed rule addressed, the reason for the request and any change proposed and send this information to the above address.

Authority for the adoption of these rules is contained in Minnesota Statutes, section 60A.082. Additionally, a Statement of Need and Reasonableness describing the need for and reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Debbi Lindlief, Department of Commerce, 500 Metro Square Bldg., St. Paul, MN 55101.

A copy of the proposed rules is attached to this Notice.

Copies of this Notice and the proposed rules are available and may be obtained by contacting Debbi Lindlief at the above address.

Michael A. Hatch

In the Matter of the Proposed Adoption of
Rules Relating to Group Insurance Coverage
Replacement

AFFIDAVIT OF
MAILING

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Robin Hanson, being first duly sworn, deposes and says:

That on the 14 day of June, 1984, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Intent to Adopt Rules Without Public Hearing by depositing in the State of Minnesota Central Mail System for United States mailing at said City of St. Paul, a copy properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the Department of Commerce for the purpose of receiving notice of the proposed adoption of rules.

A copy of the proposed rules is attached.

Subscribed and sworn to before me this
14th day of June, 1984.

Nancy A. Link

NANCY A. LINK
NOTARY PUBLIC - MINNESOTA
HENNEPIN COUNTY
My Commission Expires Nov. 22, 1984

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the Matter of the Proposed Adoption of
Rules Relating to Group Insurance Coverage
Replacement

I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minnesota Statutes, section 14.14, subd. 1a, that their names be placed on file with and maintained by the Department of Commerce for the purpose of receiving notice of the proposed adoption of rules is accurate and complete as of 12:00 P.M., this 14th day of June, 1984.

/

Robert R. Abrohams
Robert R. Abrohams Agency, Inc.
1112 Plymouth Bldg.
Minneapolis, MN 55402

John B. LaMacchia & Associates
Actuaries Management Consultants
12 North Central Avenue
St. Louis, MO 63105

Sam Pahle
Office of Administrative Hearings
400 Summit Bank Building
Minneapolis, MN 55415

Joseph T. Justice, Counsel
Alexander Howden Group U.S. Inc.
P.O. Box 19539
Atlanta, GA 30325

Alliance of American Insurers
Attn: Debra G. Woznlak
1501 Woodfield Rd., Suite 400 West
Schaumberg, IL 60195

Willys P. Jones
Allison-Williams Co.
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Minneapolis, MN 55402

Mr. Robert J. Demichelis
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St. Paul, MN 55102

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7850 Metro Pkway., Suite 213
Bloomington, MN 55420

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Washington, DC 20006

J. David Wise
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Stan Jacobson
Research Dept., State of MN
Room 17, State Capitol
St. Paul, MN 55155

Kathleen P. Burek
Exec. Dir., LCRAR
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St. Paul, MN 55155

Susan J. Ladwig
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Minneapolis, MN 55401

Richard H. Smith Dir.
Dept. of Land Registration
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Bentonville, AR 72712

Vincent A. Pellerito, President
Land Registrations, Inc.
4603 N. 16th St., Suite 2
Phoenix, AZ 85016

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Katie McLenighan

Mr. Ronald R. Radtke, Mgr., Comp. Svcs.
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Warwick, RI 02887

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Midland Glass Company, Inc.
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Shakopee, MN 55379

Jerrold T. Miller
J. T. Miller Company
1000 Currie Avenue
Minneapolis, MN 55403

John S. Jackson, Gen. Counsel
Minnesota Bankers Association
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Minneapolis, MN 55402

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Minnesota Chiropractic Assoc.
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St. Paul, MN 55113

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St. Paul, MN 55155

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St. Paul, MN 55105

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James N. Denn
Minnesota Motor Transport Assn.

Minn. Petroleum Council
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St. Paul, MN 55102

John Van Doorn
Minn. Retail Merchants Assoc.
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Minn. School of Real Est. Inc.
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STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Adoption of Rules Governing Group Insurance Coverage Replacement

FINDINGS OF FACT AND CONCLUSIONS

The above-entitled rules were proposed to be adopted without a public hearing on June 18, 1984, after proper notice of intent to adopt these rules as required by Minn. Stat. § 14.22 was served upon all groups registered with the Department of Commerce for that purpose.

After affording interested persons an opportunity to present written and oral data, staements and arguments, having heard all of the testimony and considered all of the evidence adduced upon the records, files and proceedings herein, I find the following:

FINDINGS OF FACT

1. Pubished rule, Minnesota Rule 2755.0400 was amended to clarify as precisely as possible where the responsibilities of prior and succeeding carriers began and ended. Comments received by the Department during the 30 days after publication indicated that there was a possibility that even the proposed language might still leave some room for doubt. Certain language was proposed which would further and hopefully completely remove any room for doubt. The proposed language was implicit in the rule as published but the changes make it explicit.

The changes would add the word "covered" before "inpatient hospital expenses" in the first sentence of the definition of "accrued liability" and add the clause, "subject to applicable deductibles, copayments, and limitations" after the same "inpatient hospital expenses."

CONCLUSIONS

1. That the word "covered" be added before "inpatient hospital expenses" in Minnesota Rule 2755.0400 and that the clause, "subject to applicable deductibles, copayments and limitations," be inserted after the same "inpatient hospital expenses."

2. That the changes to the proposed rules do not adversely affect the public, add to or subtract from the regulatory authority of the Commissioner or the substantive meaning of the rules.

Dated:

MICHAEL A. HATCH
Commissioner of Commerce

500 Metro Square Building
St. Paul, Minnesota 55101
Telephone: (612) 296-6848

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Adoption of the Proposed Amendments to Rules Governing Group Insurance Coverage Replacement

STATEMENT OF NEED AND REASONABLENESS

STATEMENT OF AUTHORITY

Minnesota Statute § 60A.082 requires the commissioner to adopt rules to carry out the provisions of that section. Rules 4 MCAR § 1.9251 - § 1.9253 were adopted in June, 1981, in fulfillment of this requirement. Minnesota Statute § 60A.082 states that a person who is covered under a group life, group accidental death and dismemberment, group disability income or group medical expense insurance plan shall not be denied benefits to which he or she is otherwise entitled solely because of a change in the insurer writing the plan.

The current rules were written to define the exact mechanisms by which insureds would not be denied coverage solely because of a change in insurers. After affording interested and affected persons an opportunity to submit comments and receiving fewer than seven written requests for a public hearing, the rules were adopted without a public hearing. In 1984, Minnesota revised its system for organizing and referencing administrative rules. The rules are now found in Minnesota Rules, Chapter 2755, parts 2755.0100 to 2755.0500.

Following adoption of the current rules, several insurers were involved in disputes over the liability of the prior and succeeding carriers. These disputes were based on differing interpretations of the term "accrued liability." The meaning of the term "extension of benefits" also was unclear. Therefore, the proposed revisions to the current rules are necessary to clarify these two terms.

Amendments to the Current Rules

2755.0400 LIABILITY OF PRIOR CARRIER

Part 2755.0400 is amended to clarify that prior carriers are liable for any extension of benefits provisions in the contract of insurance existing at the time of replacement. This part is also amended to include a definition of accrued liability. Some insurers were involved in disputes over liability when a covered individual is hospital confined at the time of replacement. The rule amendment simply states longstanding Commerce Department policy. Specifically, the rule amendment states that expenses incurred by an individual who is hospital confined at the time of replacement are the liability of the prior carrier until the individual is discharged from the hospital or contract maximums are reached.

2755.0500 LIABILITY OF SUCCEEDING CARRIER

Subpart 2 is amended to change the term "extension of benefits" to "continuation of coverage." This change is needed to make a clear distinction between contractual provisions for extension of benefits and the continuation of coverage provisions in Minnesota Statutes § 62A.148 and § 62A.17. Currently, the term "extension of benefits" is used to apply to both situations and can cause confusion about the liability of the prior and succeeding carriers.

Effects on Small Businesses

The amendments to Chapter 2755 simply clarify existing Department policy and the meaning of certain terms. These amendments are not intended to modify the impact of the rules governing Group Insurance Coverage Replacement. Therefore, the Department expects the amendments will have no effect on small businesses.

In the Matter of the Proposed Adoption
of Rules Governing Group Insurance
Coverage Replacement

STATEMENT OF
COMPLIANCE WITH
RULEMAKING PROCEDURES

I, Thomas F. Pursell, do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

Thomas F. Pursell

Special Assistant Attorney General

Dated: October 17, 1984

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Adoption of Rules Relating to the Liability of a Prior Succeeding Group Insurance Carrier

NOTICE OF SUBMISSION TO THE ATTORNEY GENERAL

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Richard G. Gomsrud, being first duly sworn, deposes and says:

That to date, no person has requested notice that the rules in the above-entitled matter have been submitted to the Attorney General.

Richard G. Gomsrud

RICHARD G. GOMSRUD
General Counsel, Department of Commerce

Subscribed and sworn to before me this 12th day of October, 1984.

Nancy I. Link

NANCY I. LINK
NOTARY PUBLIC - MINNESOTA
HENNEPIN COUNTY
My Commission Expires Nov. 22, 1984