

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

RULE REVIEW CHECKLIST

File No. 1342 Docket No. 05.0009.T242

DATE RECEIVED 1/22/87
REVIEW DATE 1/31/87
DUE DATE 2/5/87

APPROVED 2/5/87
DISAPPROVED
WITHDRAWN

ADOPTED W/O HEARING
EMERGENCY RULE

REVISOR APPROVED 1/28/87
REVISOR DISAPPROVED
FILED W/SEC. STATE
RETURNED TO AGENCY

✓ Rule as adopted (4 copies)

~~Notice to Solicit Outside Information/Opinion~~
Date published in State Register
Comments

~~Petition for Adoption of a Rule~~

~~Board's Authorizing Resolution~~

✓ Proposed rule
Revisor's Certificate

✓ Notice of Intent to Adopt Rule
176.185 176.83 Statutory Authority
Yes Small business statement
No Expenditure of public money statement
Yes Signature

✓ Statement of Need and Reasonableness

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
10/27/86 Date (30)/25 days before adoption

✓ Publication in State Register
10/27/86 Date (30)/25 days before adoption

~~Resolution Adopting~~

✓ Findings of Fact, Conclusions & Order Adopting
12/23/86 Date

✓ Written requests, submissions or comments

✓ Declaration of attorney
William Howard Name of SAAG representing agency

~~Notice of Submission to Attorney General~~

~~Affidavit of Mailing Notice to Attorney General~~

✓ Certificate
✓ Order for Publication

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT

Office Memorandum

ATTORNEY GENERAL

TO:

DATE: 2/23/87

WILLIAM HOWARD
Special Assistant
FROM: Attorney General

PHONE: 6-6555

J. MICHAEL MILES
SUBJECT: Assistant Attorney General

In the Matter of the Proposed Adoption of Rules of the Department of Labor and Industry, Workers' Compensation Division, Insurance Verification.

The above-referenced rule has been approved as to its legality by the Attorney General on February 5, 1987.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

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

:nah

Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Adminsitrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

Department of Labor and Industry

Adopted Permanent Rules Relating to Workers' Compensation; Insurance Verification

Rules as Adopted

5222.2000 PURPOSE.

Parts 5222.2000 to 5222.2006 govern the filing by insurers of insurance coverage notices under Minnesota Statutes, section 176.185. Those parts apply to endorsements; binders; notices of new policy issuance, cancellation, expiration, termination, intent to provide insurance, policy reinstatement, and corrections; and similar documents relating to policy coverage.

5222.2001 CONTENTS OF NOTICE.

Subpart 1. **Form.** Notices relating to policy coverage shall be filed on forms prescribed by the commissioner or as provided in subpart 2. All ~~**documents**~~ notices submitted must be typewritten ~~**or**~~, machine printed, on computer magnetic tape in an approved format, or via telecommunications using an approved format and protocol.

Subp. 2. **Use of declaration sheets.** An insurer's policy declaration sheet or insurance binder may be used in place of forms prescribed by the commissioner if the declaration contains at least the following information:

A. Type of action, such as new policy, correction, binder, reinstatement, expiration, cancellation, termination, or notice of intent to provide insurance.

B. Employer's legal name.

C. Every dba (doing business as) name used by the employer.

D. Employer's legal form of ownership, such as corporation, partnership, limited partnership, or government entity. All owners or partners must be specifically named. In limited partnerships, only the general partners must be identified.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY: JCF

E. Employer's complete mailing address, including zip code.

F. Nature of employer's business.

G. Policy number.

H. Effective and expiration dates of policy.

I. Name of carrier.

J. Carrier office issuing the policy.

K. Type of cancellation, if applicable.

L. Reason for cancellation, if applicable.

M. Effective date of cancellation, if applicable.

Subp. 3. **Filing not accepted.** Notices not in compliance with this part will not be accepted for filing.

5222.2002 PLACE OF FILING.

All notices required by Minnesota Statutes, section 176.185 shall be filed with the commissioner's contract designee for this purpose, the Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA). This part applies to all insurers licensed to write workers' compensation insurance in Minnesota, including insurers who are not members of the MWCIA. MWCIA shall function only as a repository for data collection and processing; any issues regarding the adequacy, timeliness, or other aspects of the filing are to be addressed to the commissioner.

5222.2003 TIME FOR FILING NOTICE.

Subpart 1. **Policy issuance.** Notice of coverage must be filed by the insurer within ten days of issuance (effective date) of a policy or 20 days of issuance (effective date) of a binder or acceptance of an employer's application for insurance, whichever is earlier.

Subp. 2. **Cancellation.** Notice of cancellation, termination, or expiration must be filed by the insurer at the same time that notice is given to the insured, or, if cancellation is initiated by the insured, upon receipt of notice from the insured. The policy shall remain in effect for 30 days after the insurer's filing of notice, or, if sooner, until

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another policy or binder is issued by the same carrier or a different carrier.

Subp. 3. **Receipt of notice.** Filing is effective upon receipt by the Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA) of a notice that complies with part 5222.2001. Notices received by the commissioner will be forwarded to the MWCIA and will not become effective until received by that organization.

Subp. 4. **Failure to timely file.** ~~Where~~ If an insurer fails to file ~~a~~ timely notice ~~as-required-by-this-part,-in-five-or-more-instances,-the-commissioner-shall-issue-a-warning-letter-advising-it-of-its-responsibilities-under-the-law,-and-the-effect-of-future-noncompliance.--If-during-the-30-days-from-the-date-of-the-warning-letter-any-filing-is-not-timely,-the-commissioner-will~~, other than a notice of cancellation, termination, or expiration provided for in subpart 2, as required by parts 5222.2000 to 5222.2006 on five percent of all policies for which such notices are due in any calendar month, if greater than five notices, it shall be subject to the sanctions described below. If the commissioner determines that an insurer has exceeded this percentage on more than one occasion in any 12-month period, the commissioner shall issue a warning letter advising the insurer of its responsibilities under the law, and the effect of future noncompliance.

If the commissioner determines that an insurer has exceeded this percentage on more than two occasions in any 12-month period, the commissioner may require the insurer to provide to the commissioner a written description of the steps the insurer will take to implement changes in the insurer's notice filing procedures to prevent future untimely delays and periodic written reports as to the progress and success of the implementation of such procedures.

If the commissioner determines that an insurer has exceeded this percentage on more than four occasions in any 12-month period, the commissioner may in addition to the other actions identified in this subpart notify the Department of Commerce and

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request a review of the insurer's authority to write workers' compensation insurance in Minnesota. This ~~provision~~ subpart does not affect the insurer's continued liability on the policy, as determined by law, for failure to timely file.

5222.2004 EFFECT OF FILING.

Filing with the Minnesota Workers' Compensation Insurers Association, Inc. under parts 5220.2000 to 5220.2006 is deemed a filing with the commissioner for purposes of Minnesota Statutes, section 176.185, subdivision 1. Filing under this part is not notice to the employer under Minnesota Statutes, sections 176.181 and 176.185.

5222.2005 CANCELLATION OF SUBSIDIARY COVERAGE.

If a single policy covers a parent corporation and its subsidiaries, a cancellation or endorsement must be filed even if the policy for the parent is to continue. The notice must specify that the subsidiary is canceled and the parent remains covered. If a new subsidiary is added to the policy, an endorsement to the declaration sheet must be filed.

5222.2006 COVERAGE.

Parts 5222.2000 to 5222.2006 shall apply to all filings required by Minnesota Statutes, section 176.185 on or after March 1, 1987.

REVISOR OF STATUTES
OFFICE BY:

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
FEB 11 1987
Joan Anderson Growe
Secretary of State 9:15 AM

APPROVED AS TO FORM AND LEGALITY

2/5 1987

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY _____
ASSISTANT ATTORNEY GENERAL

Department of Labor and Industry

Proposed Permanent Rules Relating to Workers' Compensation; Insurance Verification

Rules as Proposed (all new material)

5222.2000 PURPOSE.

Parts 5222.2000 to 5222.2006 govern the filing by insurers of insurance coverage notices under Minnesota Statutes, section 176.185. Those parts apply to endorsements; binders; notices of new policy issuance, cancellation, expiration, termination, intent to provide insurance, policy reinstatement, and corrections; and similar documents relating to policy coverage.

5222.2001 CONTENTS OF NOTICE.

Subpart 1. **Form.** Notices relating to policy coverage shall be filed on forms prescribed by the commissioner or as provided in subpart 2. All documents submitted must be typewritten or machine printed.

Subp. 2. **Use of declaration sheets.** An insurer's declaration sheet may be used in place of forms prescribed by the commissioner if the declaration contains at least the following information:

A. Type of action, such as new policy, correction, binder, reinstatement, expiration, cancellation, termination, or notice of intent to provide insurance.

B. Employer's legal name.

C. Every dba (doing business as) name used by the employer.

D. Employer's legal form of ownership, such as corporation, partnership, limited partnership, or government entity. All owners or partners must be specifically named. In limited partnerships, only the general partners must be identified.

E. Employer's complete mailing address, including zip code.

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F. Nature of employer's business.

G. Policy number.

H. Effective and expiration dates of policy.

I. Name of carrier.

J. Carrier office issuing the policy.

K. Type of cancellation, if applicable.

L. Reason for cancellation, if applicable.

M. Effective date of cancellation, if applicable.

Subp. 3. **Filing not accepted.** Notices not in compliance with this part will not be accepted for filing.

5222.2002 PLACE OF FILING.

All notices required by Minnesota Statutes, section 176.185 shall be filed with the commissioner's contract designee for this purpose, the Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA). This part applies to all insurers licensed to write workers' compensation insurance in Minnesota, including insurers who are not members of the MWCIA. MWCIA shall function only as a repository for data collection and processing; any issues regarding the adequacy, timeliness, or other aspects of the filing are to be addressed to the commissioner.

5222.2003 TIME FOR FILING NOTICE.

Subpart 1. **Policy issuance.** Notice of coverage must be filed by the insurer within ten days of issuance of a policy or 20 days of issuance of a binder or acceptance of an employer's application for insurance, whichever is earlier.

Subp. 2. **Cancellation.** Notice of cancellation, termination, or expiration must be filed by the insurer at the same time that notice is given to the insured, or, if cancellation is initiated by the insured, upon receipt of notice from the insured. The policy shall remain in effect for 30 days after the insurer's filing of notice, or, if sooner, until another policy or binder is issued by the same carrier or a different carrier.

Subp. 3. **Receipt of notice.** Filing is effective upon

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

receipt by the Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA) of a notice that complies with part 5222.2001. Notices received by the commissioner will be forwarded to the MWCIA and will not become effective until received by that organization.

Subp. 4. **Failure to timely file.** Where an insurer fails to file a timely notice as required by this part, in five or more instances, the commissioner shall issue a warning letter advising it of its responsibilities under the law, and the effect of future noncompliance. If during the 30 days from the date of the warning letter any filing is not timely, the commissioner will notify the Department of Commerce and request a review of the insurer's authority to write workers' compensation insurance in Minnesota. This provision does not affect the insurer's continued liability on the policy, as determined by law, for failure to timely file.

5222.2004 EFFECT OF FILING.

Filing with the Minnesota Workers' Compensation Insurers Association, Inc. under parts 5220.2000 to 5220.2006 is deemed a filing with the commissioner for purposes of Minnesota Statutes, section 176.185, subdivision 1. Filing under this part is not notice to the employer under Minnesota Statutes, sections 176.181 and 176.185.

5222.2005 CANCELLATION OF SUBSIDIARY COVERAGE.

If a single policy covers a parent corporation and its subsidiaries, a cancellation or endorsement must be filed even if the policy for the parent is to continue. The notice must specify that the subsidiary is canceled and the parent remains covered. If a new subsidiary is added to the policy, an endorsement to the declaration sheet must be filed.

5222.2006 COVERAGE.

Parts 5222.2000 to 5222.2006 shall apply to all filings required by Minnesota Statutes, section 176.185 on or after March 1, 1987.

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Insurance Verification

AGENCY: Department of Labor and Industry

MINNESOTA RULES: Chapter 5222

The attached rules are approved for publication in the State Register

John C. Fuller
Assistant Deputy Revisor

STATE OF MINNESOTA
DEPARTMENT OF LABOR AND INDUSTRY
WORKERS' COMPENSATION DIVISION

In the Matter of the Proposed Adoption by the Minnesota Department of Labor and Industry Workers' Compensation Division, of Rules Governing Insurance Policy Verification.

NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

Notice is hereby given that the Minnesota Department of Labor and Industry, Workers' Compensation Division, proposes to adopt the above-captioned rules without a public hearing. The Commissioner 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 14.21 - 14.28 (1984).

Persons or groups interested in these rules shall have 30 days to submit comments on the proposed rules. 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 in the proposed language.

Unless twenty-five or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minn. Stat. § 14.13 - 14.20 (1984).

Persons who wish to submit comments or a written request for a public hearing should submit comments or requests to:

Steve Keefe, Commissioner
Department of Labor and Industry
444 Lafayette Road
St. Paul, Minnesota 55101

Authority for the adoption of these rules is contained in Minn. Stat. § 176.185 and 176.83(1) (1984). The commissioner has prepared a Statement of Need and Reasonableness which describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules. The Statement of Need and Reasonableness is available by contacting Debra Caswell at the above address, telephone number (612) 296-8184.

Upon adoption of the final rules without a public hearing, all jurisdictional documents, 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 legality and form as it relates to 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 the Commissioner at the above address.

The proposed rules define procedures for filing insurance status reports by workers' compensation insurance companies. The proposed rules provide for the filing of policy issuance and termination notices with a contract data collection entity. The proposed filing requirements do not affect any of the rights or responsibilities of licensed insurers in Minnesota regarding providing timely notice of policy coverage or termination and do not modify case law regarding the extent or timeliness of cancellation.

The department has determined that the propsoed rules will not have a direct impact upon small businesses as defined in Minn. Stat. § 14.115, subd. 2, nor local public bodies as defined in Minn. Stat. § 14.11, subd. 1. The department's position in this regard is set forth more fully in the Statement of Need and Reasonableness.

A copy of the proposed rules follows this notice in the State Register.

One free copy of the proposed rules may be obtained by contacting Debra Caswell at the Department of Labor and Industry, 444 Lafayette Road, St. Paul, Minnesota 55101, telephone number (612) 296-8184.

STATE OF MINNESOTA

Steve Keefe

Steve Keefe
Commissioner
Department of Labor and Industry

Dated: _____

STATE OF MINNESOTA
DEPARTMENT OF LABOR AND INDUSTRY

In the Matter of the Proposed Adoption by the Minnesota Department of Labor and Industry Workers' Compensation Division, of Insurance Verification Rules

STATEMENT OF NEED AND REASONABLENESS for Proposed Minnesota Rule, Parts 5222.2001 - 5222.2006

INTRODUCTION

These rules define new Procedures for filing insurance status reports by insurance companies licensed to write workers' compensation insurance in Minnesota pursuant to Minn. Stat. 176.185. The Commissioner of the Department of Labor and Industry has exercised his authority under Minn. Stat. 176.185, subd. 10, to contract with a data collection entity to maintain insurance policy information. These rules are needed to specify the new procedures for filing insurance status reports with the data collection contractee, the Minnesota Workers' Compensation Insurers Association (MWCIA) in conformance with Minn. Stat. 176.185.

These rules eliminate the duplication of data collection between the MWCIA and the Department of Labor and Industry by deleting the filing of certain documents with the Department of Labor and Industry and requiring a single set of complete filings with the MWCIA. The change in procedures does not effect any of the rights or responsibilities of licensed workers' compensation insurers in Minnesota regarding providing timely notice of policy coverage or termination and is not intended to modify case law regarding extent of coverage or timeliness of cancellation.

5222.2001. CONTENTS OF NOTICE

Subp. 1. The Commissioner must have accurate and complete data to assure proper documentation of insurance coverage or cancellation. The listing of information required in the rule reflects the commissioner's experience in handling insurance verification filings. The data is presently required on forms now in use and the listing does not represent a departure from present practice. Handwritten data is unacceptable because it may be illegible and is subject to misinterpretation. Requiring typewritten data promotes fewer errors in the filing process.

Subp. 2. Complete policy information is necessary to assure accurate identification of insurance coverage. This information is currently reported to the Department of Labor and Industry and to the MWCIA and so no new data collection is being instituted and there is no additional burden on the insurers.

Subp. 3. Uniform and complete filing are necessary to insure proper interpretation of the information presented on them.

5222.2002. PLACE OF FILING.

Minn. Stat. 176.185 requires maintenance of an official record of workers' compensation insurance coverage. The most effective manner of carrying out this obligation is to create and maintain a single, comprehensive database. The database to be used is the one maintained by the MWCIA pursuant to the contract between the MWCIA and the Department of Labor and Industry. In order for the database to be complete, it is necessary that all filings be recorded within it. The most effective method of submitting all data to the MWCIA is for the filings to be made directly with the MWCIA. Filings made with the Department of Labor and Industry and then forwarded to the MWCIA would be delayed and hence the data would be less accurate. Since all insurers are currently required to make one filing with the Department and most are also required to make a duplicate filing with the MWCIA, the change in procedure results in a reduction of work for the insurers.

5222.2003. TIME FOR FILING NOTICE.

Subp. 1. The filing of insurance status documents must be timely so that coverage information is reasonably current. Failure to supply timely data caused unnecessary delays in claims processing and assignment of the case to the proper insurer. The single filing with the MWCIA will conform to the timeliness standard of Minn. Stat. 176.185, subd. 1.

Subp. 2. Timely notice of cancellation or termination of policies is necessary to allow the Department of Labor and Industry to inform the insured's of their obligations to maintain workers' compensation insurance. This minimizes lapses of coverage and reduces the exposure of the Special Compensation Fund for uninsured injuries. Filing with the MWCIA will conform to the standards of Minn. Stat. 176.185.

Subp. 3. Accuracy and completeness of the database requires a single repository of data. Therefore, filings in any other location shall not be accepted and the effective date will be when the filing is received by the single repository. Complete information in accordance with Rule 5222.2001 is necessary to properly identify the policy affected and to provide sufficient information for the Department of Labor and Industry to carry out its functions as mandated in Minn. Stat. 176.185.

Subp. 4. Timely filing of documents is necessary to provide accurate information regarding insurance coverage to concerned parties. Pursuant to Minn. Stat. 176.251 the Commissioner of the Department of Labor and Industry is responsible to supervise and require prompt and full compliance with all provisions of Minn. Stat. 176 relating to the payment of compensation. Timely payment of workers' compensation benefits in many cases depends upon the availability of current and accurate insurance coverage information. Where the insurer fails to make timely filing of a notice of policy insurance, the employee's valid claim for benefits may be delayed until insurance coverage is discovered or the proper insurer is identified. The Commissioner believes that 5 late filings fairly balances the administrative pressures on insurers with the need to establish a threshhold indicating chronic non-compliance. The Commissioner has a responsibility to report to the Department of Commerce those matters in which an insurer does not

fulfill their obligations under the statute. Hence cases of continued non-compliance with these rules and Minn. Stat. 176.185 will be referred to the Department of Commerce.

5222.2004. EFFECT OF FILING.

Because the Commissioner has contracted with the MWCIA to collect data on insurance coverage status, it is not necessary for the insurer to file duplicate information with the Department. The data maintained by the MWCIA will be used by the Department in the fulfillment of its responsibilities under Minn. Stat. 176.185.

5222.2005. CANCELLATION OF SUBSIDIARY COVERAGE.

To assure accuracy of coverage information of more than one business entity covered under a single policy, notice of any changes in coverage within the master policy must be filed with the MWCIA.

5222.2006. EFFECTIVE DATE OF RULES.

The effective date of the rules is set well in advance of the date the Commissioner expects to have them in place. This lead time is intended to permit ample time to notify insurers of the new filing requirements, and to permit them adequate time to make the necessary administrative adjustments.

IMPACT ON SMALL BUSINESS.

The Commissioner has considered the potential impact of these rules on small businesses to the extent required by Minn. Stat. 14.115 (Supp. 1983). Insurers and third party administrators currently affected by these rules are not small businesses within the meaning of Minn. Stat. 14.115, subd. 1 (1984). Because these rules are intended to reduce the filing requirements for insurance status documents, they place no additional burden on any party. Third party administrators who may qualify as small businesses to carry assigned risks will benefit from the implementation of these rules as they simplify and consolidate present reporting requirements.

FISCAL IMPACT ON LOCAL PUBLIC BODIES.

The Commissioner has considered the fiscal impact of these rules on local public bodies pursuant to Minn. Stat. 14.11, subd. 1 (1982) and has found none. No additional financial burdens are placed on local public bodies, as the adoption of these rules will not require the expenditure of public moneys by local public bodies.

STATE OF MINNESOTA
DEPARTMENT OF LABOR AND INDUSTRY
WORKERS' COMPENSATION DIVISION

In the Matter of the Proposed Adoption by the Minnesota Department of Labor and Industry, Workers' Compensation Division, Governing Workers' Compensation; Insurance Verification.

AFFIDAVIT OF MAILING

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

Debra Caswell, being first duly sworn, deposes and says:

That on the 27th day of October, 1986, at the City of St. Paul, County or Ramsey, State of Minnesota, she served the attached Notice of Hearing by depositing a copy thereof in the State of Minnesota Central Mail System for United States mailing at said City of St. Paul, properly enveloped, with postage prepaid, on all persons and groups who have requested that their names be placed on the list maintained by the Minnesota Department of Labor and Industry, Workers' Compensation Division, for the purpose of receiving notice of the proposed adoption of rules by this Department.

Debra Caswell
Debra Caswell

Subscribed and sworn to before me this 27 day of October, 1986.

Shawn Kerns

SHAWN R. KERNS
NOTARY PUBLIC-MINNESOTA
ST. LOUIS COUNTY
MY COMMISSION EXPIRES JANUARY 28, 1989

SOIL & WATER CONSERVATION BOARD
8400.4000-.4080 (adopted) 742
TRANSPORTATION DEPARTMENT
8860.0100; .0200; .0300; .0400; .0500; .0600; .0700; .0800 (adopted) 690
TRANSPORTATION REGULATION BOARD
8900.0100-.1100 (adopted) 691
HUMAN SERVICES DEPARTMENT
9505.0211; .0212 (Emergency extended) 714
9525.1290 (proposed) 709
9549.0050-.0059 (Withdrawn Proposed) 710
9555.5105; .5205; .5305; .5405; .5415; .5505; .5605; .5705; .6105; .6115; .6125; .6145; .6155; .6165; .6167; .6175; .6185; .6195; .6205; .6215; .6225; .6233; .6245; .6255; .6265 (proposed) 650
9555.5100; .5200; .5300; .5400; .6100; .6200; .6300; .6400 (proposed repealer) 650

PROPOSED RULES

Pursuant to Minn. Stat. of 1982, §§ 14.22, 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 the 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 §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Labor and Industry

Proposed Permanent Rules Relating to Workers' Compensation; Insurance Verification

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Minnesota Department of Labor and Industry, Workers' Compensation Division, proposes to adopt the above-captioned rules without a public hearing. The Commissioner 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 14.21-14.28 (1984).

Persons or groups interested in these rules shall have 30 days to submit comments on the proposed rules. 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 in the proposed language.

Unless twenty-five or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minn. Stat. § 14.13-14.20 (1984).

Persons who wish to submit comments or a written request for a public hearing should submit comments or requests to:

Steve Keefe, Commissioner
Department of Labor and Industry
444 Lafayette Road
St. Paul, Minnesota 55101

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.

Authority for the adoption of these rules is contained in Minn. Stat. § 176.185 and 176.83(1) (1984). The commissioner has prepared a Statement of Need and Reasonableness which describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules. The Statement of Need and Reasonableness is available by contacting Debra Caswell at the above address, telephone number (612) 296-8184.

Upon adoption of the final rules without a public hearing, all jurisdictional documents, 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 legality and form as it relates to 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 the Commissioner at the above address.

The proposed rules define procedures for filing insurance status reports by workers' compensation insurance companies. The proposed rules provide for the filing of policy issuance and termination notices with a contract data collection entity. The proposed filing requirements do not affect any of the rights or responsibilities of licensed insurers in Minnesota regarding providing timely notice of policy coverage or termination and do not modify case law regarding the extent or timeliness of cancellation.

The department has determined that the proposed rules will not have a direct impact upon small businesses as defined in Minn. Stat. § 14.115, subd. 2, nor local public bodies as defined in Minn. Stat. § 14.11, subd. 1. The department's position in this regard is set forth more fully in the Statement of Need and Reasonableness.

A copy of the proposed rules follows this notice in the *State Register*.

One free copy of the proposed rules may be obtained by contacting Debra Caswell at the Department of Labor and Industry, 444 Lafayette Road, St. Paul, Minnesota 55101, telephone number (612) 296-8184.

Dated: 20 October 1986

STATE OF MINNESOTA
Steve Keefe, Commissioner
Department of Labor and Industry

Rules as Proposed (all new material)

5222.2000 PURPOSE.

Parts 5222.2000 to 5222.2006 govern the filing by insurers of insurance coverage notices under Minnesota Statutes, section 176.185. Those parts apply to endorsements; binders; notices of new policy issuance, cancellation, expiration, termination, intent to provide insurance, policy reinstatement, and corrections; and similar documents relating to policy coverage.

5222.2001 CONTENTS OF NOTICE.

Subpart 1. **Form.** Notices relating to policy coverage shall be filed on forms prescribed by the commissioner or as provided in subpart 2. All documents submitted must be typewritten or machine printed.

Subp. 2. **Use of declaration sheets.** An insurer's declaration sheet may be used in place of forms prescribed by the commissioner if the declaration contains at least the following information:

A. Type of action, such as new policy, correction, binder, reinstatement, expiration, cancellation, termination, or notice of intent to provide insurance.

B. Employer's legal name.

C. Every dba (doing business as) name used by the employer.

D. Employer's legal form of ownership, such as corporation, partnership, limited partnership, or government entity. All owners or partners must be specifically named. In limited partnerships, only the general partners must be identified.

E. Employer's complete mailing address, including zip code.

F. Nature of employer's business.

G. Policy number.

H. Effective and expiration dates of policy.

I. Name of carrier.

J. Carrier office issuing the policy.

K. Type of cancellation, if applicable.

L. Reason for cancellation, if applicable.

M. Effective date of cancellation, if applicable.

Subp. 3. **Filing not accepted.** Notices not in compliance with this part will not be accepted for filing.

5222.2002 PLACE OF FILING.

All notices required by Minnesota Statutes, section 176.185 shall be filed with the commissioner's contract designee for this purpose, the Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA). This part applies to all insurers licensed to write workers' compensation insurance in Minnesota, including insurers who are not members of the MWCIA. MWCIA shall function only as a repository for data collection and processing; any issues regarding the adequacy, timeliness, or other aspects of the filing are to be addressed to the commissioner.

5222.2003 TIME FOR FILING NOTICE.

Subpart 1. **Policy issuance.** Notice of coverage must be filed by the insurer within ten days of issuance of a policy or 20 days of issuance of a binder or acceptance of an employer's application for insurance, whichever is earlier.

Subp. 2. **Cancellation.** Notice of cancellation, termination, or expiration must be filed by the insurer at the same time that notice is given to the insured, or, if cancellation is initiated by the insured, upon receipt of notice from the insured. The policy shall remain in effect for 30 days after the insurer's filing of notice, or, if sooner, until another policy or binder is issued by the same carrier or a different carrier.

Subp. 3. **Receipt of notice.** Filing is effective upon receipt by the Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA) of a notice that complies with part 5222.2001. Notices received by the commissioner will be forwarded to the MWCIA and will not become effective until received by that organization.

Subp. 4. **Failure to timely file.** Where an insurer fails to file a timely notice as required by this part, in five or more instances, the commissioner shall issue a warning letter advising it of its responsibilities under the law, and the effect of future noncompliance. If during the 30 days from the date of the warning letter any filing is not timely, the commissioner will notify the Department of Commerce and request a review of the insurer's authority to write workers' compensation insurance in Minnesota. This provision does not affect the insurer's continued liability on the policy, as determined by law, for failure to timely file.

5222.2004 EFFECT OF FILING.

Filing with the Minnesota Workers' Compensation Insurers Association, Inc. under parts 5220.2000 to 5220.2006 is deemed a filing with the commissioner for purposes of Minnesota Statutes, section 176.185, subdivision 1. Filing under this part is not notice to the employer under Minnesota Statutes, sections 176.181 and 176.185.

5222.2005 CANCELLATION OF SUBSIDIARY COVERAGE.

If a single policy covers a parent corporation and its subsidiaries, a cancellation or endorsement must be filed even if the policy for the parent is to continue. The notice must specify that the subsidiary is canceled and the parent remains covered. If a new subsidiary is added to the policy, an endorsement to the declaration sheet must be filed.

5222.2006 COVERAGE.

Parts 5222.2000 to 5222.2006 shall apply to all filings required by Minnesota Statutes, section 176.185 on or after March 1, 1987.

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 LABOR AND INDUSTRY

In the Matter of the Proposed Adoption by the Minnesota Department of Labor and Industry, Workers' Compensation Division, of Rules Governing Insurance Verification

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Commissioner's intent to adopt the above-entitled rule was published in the State Register on October 27, 1986 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 on October 27, 1986. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. No requests for a public hearing on the rule were received by the agency.

During the 30-day comment period following publication of the proposed rules, comments were received from John P. Hildebrandt, President of the Minnesota Workers' Compensation Insurer's Association, Inc. The association is in agreement with the modifications as set forth below. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

1) Minnesota Rules 5222.2001, Subp. 1. Electronic data transfer is fast becoming a mode of operation within the insurance industry. Information is generated more quickly, thereby improving the accuracy of insurance status checks. More efficient data collection and storage techniques may be utilized with this procedure.

   This merely presents an alternative means of communicating the necessary coverage information, it in no way reduces or alters the insurer's responsibility to provide such information. The only effect of this modification is to allow insurers (the parties affected by these rules) an opportunity to utilize more efficient and effective communication techniques. This is consistent with the stated objective of these rules and does not present significant change.

2) Minnesota Rules 5222.2001, Subp. 2. Original language may have been somewhat unclear to persons not familiar with industry terminology. Clarifies to the the layperson the documents referred to in Rule 5222.2001, Subpart 1. The rules contemplate notice of coverage within 20 days of issuance of a binder. A binder, satisfying the criteria of Minnesota Rules 5222.2001, Subpart 2, effectively communicates this information and eliminates the duplication of effort that would otherwise result from requiring an additional form. This permits more timely notice of insurance coverage thereby enhancing the quality of the database.

3) Minnesota Rules 5222.2003, Subpart 1. Issuance, as used in Minn. Stat. § 176.185, is commonly understood within the insurance industry to mean effective date. The standard usage is added here so as to inform all parties of the date upon which the time requirements of subpart 1 will commence and to maintain consistency with other sections of these rules that refer to effective date. Notices presently being filed by insurers reflect the effective date of coverage. Thus we are not asking for additional information or requiring a change in procedure.

4) Minnesota Rules 5222.2003. Experience has shown that chronic delinquents are more accurately measured by the percentage of delinquencies as opposed to a particular number. The threshold of five has been preserved, however, the standard has been reexpressed in percentage terms to more effectively monitor delinquent insurers. A referral to Commerce does not necessarily reestablish compliance with these rules. In order to more effectively and efficiently achieve compliance, an intermediary step has been allowed, whereby insurers may present a plan of remedial action. This in no way lessens the department's enforcement capabilities nor does it relieve insurers of their obligations under Minn. Stat. § 176.185. It simply provides a means of restoring compliance in a timely fashion. It imposes no greater sanction upon the insurers than originally proposed and does not alter in any respect the department's responsibility for compliance with this section. This is merely a reexpression of the standard against which compliance will be measured.

The above captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rules relating to workers' compensation; insurance verification, Minnesota Rule 5222.2000-5222.2006 as modified are adopted this 23rd day of December, 1986, pursuant to authority vested in me by Minnesota Statutes § 176.185 and 176.183 (1) (1984).

Ray Bohn, Commissioner
Department of Labor and Industry

Minnesota Workers' Compensation Insurers Association, Inc.

510 Marquette Avenue, Minneapolis, Minnesota 55402 • 612/338-4500

J. P. Hildebrandt, President

November 3, 1986

Ms. Gail M. Kechafer
Assistant Director
Workers' Compensation Division
Special Compensation Fund
Minnesota Department of Labor and Industry
444 Lafayette Road
St. Paul, MN 55101

Re: Proposed Rules Governing Insurance Policy Verification

Dear Ms. Keckhafer:

The enclosed draft of the proposed rules have been distributed to members of our Board of Directors for their inspection and approval before a final copy is submitted to your office on November 10.

I would appreciate it if you would review this draft also and call me with your comments.

Very truly yours,

John P. Hildebrandt
President

/ls
enc.

INSURANCE POLICY VERIFICATION RULES

5222.2000. PURPOSE. Parts 5222.2000 - 5222.2206 govern the filing by insurers of insurance coverage notices pursuant to Minn. Stat. § 176.185. These rules apply to endorsements; binders; notices of new policy issuance, cancellation, expiration, termination, intent to provide insurance, policy reinstatement, and corrections; and similar documents relating to policy coverage.

522.2001. CONTENTS OF NOTICE.

Subp. 1. Notices relating to policy coverage shall be filed on forms prescribed by the commissioner or as provided in Subp. 2. All documents submitted must be typewritten or machine printed.

Subp. 2. An insurer's policy declaration sheet or insurance binder may be used in place of forms prescribed by the commissioner if the declaration contains at least the following information:

A. type of action, such as new policy, correction, binder, reinstatement, expiration, cancellation, termination, or notice of intent to provide insurance;

B. employer's legal name;

C. every dba (doing business as) name used by the employer;

D. employer's legal form of ownership, such as corporation, partnership, limited partnership, or government entity. All owners or partners must be specifically named. In limited partnerships, only the general partners must be identified.

E. employer's complete mailing address, including zip code;

F. nature of employer's business;

G. policy number;

H. effective and expiration dates of policy;

I. name of carrier;

J. carrier office issuing the policy;

K. type of cancellation, if applicable;

L. reason for cancellation, if applicable;

M. effective date of cancellation, if applicable.

Subp. 3. Notices not in compliance with this part will not be accepted for filing.

5222.2002. PLACE OF FILING.

All notices required by Minn. Stat. § 176.185 shall be filed with the commissioner's contract designee for this purpose, the Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA). This part applies to all insurers licensed to write workers' compensation insurance in Minnesota, including insurers who are not members of the MWCIA. MWCIA shall function only as a repository for data collection and processing; any issues regarding the adequacy, timeliness or other aspects of the filing are to be addressed to the commissioner. The MWCIA shall also maintain in a manner prescribed by the commissioner a count by insurer of all unjustified failures to file timely notice within the time frames specified by Section 5222.2003. A failure to file timely notice shall not be deemed unjustified if the delay in filing is due to the employer's failure or refusal to supply the information necessary to complete the filing.

5222.2003. TIME FOR FILING NOTICE.

Subp. 1. Policy issuance. (ALL NEW) Notice of insurance coverage coverned by this section must be filed by the insurer within 20 days after the effective date of the coverage.

Subp. 2. Cancellation. Notice of cancellation, termination or expiration must be submitted for filing by the insurer at the same time that notice is given to the insured, or, if cancellation is initiated by the insured, within 20 days of receipt of notice from the insured. The policy shall remain in effect for 30 days after the insurer's filing of notice, or, if sooner, until another policy or binder is issued by the same carrier or a different carrier.

Subp. 3. Receipt of notice. Filing is effective upon receipt by the MWCIA of a notice that complies with part 5222.2001. Notices received by the commissioner will be forwarded to the MWCIA and will not become effective until received by that organization.

Subp. 4. Failure to timely file. (ALL NEW) The failure of an insurer to file timely notice as required by this section, on five percent (5%) of all policies for which such notices are due in any calendar month, if greater than five notices, shall subject the insurer to the penalties of this subsection. If the commissioner determines that an insurer has exceeded this percentage on more than one occasion in one calendar year, the commissioner shall issue a warning letter advising the insurer of its responsibilities under the law, and the effect of future noncompliance.

If the commissioner determines that an insurer has exceeded this percentage on more than two occasions in one calendar year, the commissioner may require the insurer to provide to the commissioner a written description of the steps the insurer will take to implement changes in the insurer's notice filing procedures to prevent future untimely delays and periodic written reports as to the progress and success of the implementation of such procedures.

If the commissioner determines that an insurer has exceeded this percentage on more than three occasions in one calendar year, the commissioner may impose fines on the insurer for each untimely filing as follows:

If the percentage of untimely filing is:	The fine shall be for each such untimely filing:
Between 5% and 10% of policies for which notices are due in a calendar month -	$ 10.00 per policy
Between 11% and 15% of policies for which notices are due in a calendar month -	$ 25.00 per policy
Over 15% of policies for which notices are due in a calendar month -	$ 50.00 per policy

If the commissioner determines that an insurer has exceeded this percentage on more than six occasions in one calendar year, the commissioner may in addition to the other actions identified in this subsection notify the Department of Commerce and request a review of the insurer's authority to write workers' compensation insurance in Minnesota. This subpart does not affect the insurer's continued liability on the policy, as determined by law, for failure to timely file.

5222.2004. Effect of Filing

Filing with the MWCIA pursuant to these rules is deemed a filing with the commissioner for purposes of Minn. Stat. § 176.185, subd. 1. Filing pursuant to this rule is not notice to the employer under Minn. Stat. §§ 176.181 and 176.185.

5222.2005. Cancellation of Subsidiary Coverage.

Where a single policy covers a parent corporation and its subsidiaries, a cancellation or endorsement must be filed even if the policy for the parent is to continue. The notice must specify that the subsidiary is cancelled and the parent remains covered.

Where a new subsidiary is added to the policy, an endorsement to the declaration sheet must be filed.

5222.2006. These rules shall apply to all filings required by Minn. Stat. § 176.185 on or after March 1, 1987.

Minnesota Workers' Compensation Insurers Association, Inc.
510 Marquette Avenue, Minneapolis, Minnesota 55402 • 612/338-4500
J. P. Hildebrandt, President

NOV 10 1986
DEPT. OF LABOR & INDUSTRY
SPECIAL COMP. FUND

November 7, 1986

Ms. Gail M. Keckhafer
Assistant Director
Workers' Compensation Division
Special Compensation Fund
Minnesota Department of Labor and Industry
444 Lafayette Road
St. Paul, MN 55101

Re: Proposed Rules Governing Insurance Policy Verification

Dear Ms. Keckhafer:

Pursuant to your letter of October 6, 1986, I have taken the opportunity to review the proposed rules you sent to me, and to discuss those rules with members of our staff and others I view as knowledgeable in this area. As a result of these efforts, we would suggest the following modifications to the proposed rules. We believe these modifications, if adopted, would make the rules somewhat more workable and would assist the Department in achieving the results it is seeking.

My specific comments, to be read in connection with the attached redraft of the rules, are as follows:

1. Section 5222.2001, subp. 2: The purpose of this section is to allow an insurer to use alternative paperwork to accomplish the same objective as submitting the proposed notice in subpart 1. In practice we believe that either the policy declaration sheet or a policy binder, if they contain the necessary information specified in this subpart, would be sufficient. We therefore would include both documents in our suggested amendment.

2. Section 5222.2002: We would suggest two additions to this section. First, because these notices are filed with us, you might add a provision which directs the MWCIA (in a manner approved by the Commissioner) to provide reports on late filings. I presume you would be looking to us for this information in any event and as we discussed, I am checking into the possibility of computer generated reports.

Second, there are occasions where an insurer agrees to offer coverage in order to assure that there is no lapse in the

employer's insurance coverage even before the employer provides the insurer with all information necessary to complete the binder or (depending on the degree of detail) the proposed notice of coverage. I presume you would not want to inadvertently create a situation where because of some threatened penalty insurers cease providing this service. It appears clear that an insurer should not be penalized for not giving us information it does not have. I think this proposed change allows these exceptions to be located and excluded from the "untimely" count.

3. Section 5222.2003, subp. 1: We would suggest that this section be modified to focus on the effective date of the coverage for which notice is required, instead of the events listed in your draft. We make this suggestion for several practical reasons. First, it is my understanding that the Department is primarily concerned with tracking changes in coverage that actually become effective. Under the system as proposed, an insurer would be required to file notice of a binder even if the coverage anticipated by the binder never became effective (i.e., after receiving a binder, an employer elects alternative coverage).

Second, essentially all of the documents identified in the rules are generated on or very close to the effective date of the policy. Accordingly, if we are to monitor the timely filing of policy declaration sheets or binders, the effective date is a logical starting point for the "timeliness" test to begin.

Third, it is much easier to track compliance by comparing the effective date, which appears on all documents, and comparing that to the receipt date, then to use any other system.

For each of these reasons, we are proposing a single standard of thirty (30) days following the effective date of the coverage as the single filing deadline.

4. Section 5222.2003, subp. 2 and 3: We believe there is some possible confusion in this portion of the proposed rules dealing with filing notices of cancellation. Because subpart 3 makes the filing effective upon receipt by the MWCIA, it is impossible for an insurer to "file" a notice of cancellation either on the same day the insurer mails the notice to the insured, or if the cancellation is initiated by the insured, on the same day that notice is received from the insured. We have suggested some wording changes in subpart 2 to correct this confusion.

5. Section 5222.2003, subp. 4: We have suggested a substantial revision in this section both in the areas of

identifying tardy insurers and in the penalties imposed.

First, we believe that the number of late filings does not accurately measure the truly delinquent insurers. An insurer who issues three hundred policies a week may have five late filings in one month and still be an exceptionally timely insurer. On the other hand, an insurer who issues ten policies a month may be late on five and be one of our chronic delinquents. Accordingly, we believe the best method of identifying tardy insurers is to look at the percentages of late filings per month, opposed to establishing a standard of five total delinquencies for some indefinite time period. This percentage standard coupled with the five delinquency minimum threshold number you proposed, is in our opinion more meaningful and will remedy the problem of the truly delinquent insurers with greater efficiency.

Second, our experience has been that a gradually increasing communications and penalty program will aid in identifying and resolving late filing problems more effectively than just sending the insurer's name to the Commerce Department. We believe that the program we propose will meet that goal. This program consists of (a) a written warning, (b) the requirement of a plan for corrective action, (c) a series of fines, and (d) finally referral to the Department of Commerce.

If you wish any clarification of these comments, please give me a call.

Very truly yours,

John P. Hildebrandt

John P. Hildebrandt
President

JPH:mjy

Enclosure

INSURANCE POLICY VERIFICATION RULES

5222.2000. PURPOSE. Parts 5222.2000 - 5222.2206 govern the filing by insurers of insurance coverage notices pursuant to Minn. Stat. § 176.185. These rules apply to endorsements; binders; notices of new policy issuance, cancellation, expiration, termination, intent to provide insurance, policy reinstatement, and corrections; and similar documents relating to policy coverage.

522.2001. CONTENTS OF NOTICE.

Subp. 1. Notices relating to policy coverage shall be filed on forms prescribed by the commissioner or as provided in Subp. 2. All documents submitted must be typewritten, machine printed, on computer magnetic tape in an approved format or via telecommunications using an approved format and protocol.

Subp. 2. An insurer's policy declaration sheet or insurance binder may be used in place of forms prescribed by the commissioner if the declaration contains at least the following information:

A. type of action, such as new policy, correction, binder, reinstatement, expiration, cancellation, termination, or notice of intent to provide insurance;

B. employer's legal name;

C. every dba (doing business as) name used by the employer;

D. employer's legal form of ownership, such as corporation, partnership, limited partnership, or government entity. All owners or partners must be specifically named. In limited partnerships, only the general partners must be identified.

E. employer's complete mailing address, including zip code;

F. nature of employer's business;

G. policy number;

H. effective and expiration dates of policy;

I. name of carrier;

J. carrier office issuing the policy;

K. type of cancellation, if applicable;

L. reason for cancellation, if applicable;

M. effective date of cancellation, if applicable.

Subp. 3. Notices not in compliance with this part will not be accepted for filing.

5222.2002. PLACE OF FILING.

All notices required by Minn. Stat. § 176.185 shall be filed with the commissioner's contract designee for this purpose, the Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA). This part applies to all insurers licensed to write workers' compensation insurance in Minnesota, including insurers who are not members of the MWCIA. MWCIA shall function only as a repository for data collection and processing; any issues regarding the adequacy, timeliness or other aspects of the filing are to be addressed to the commissioner. The MWCIA shall also maintain in a manner prescribed by the commissioner a count by insurer of all unjustified failures to file timely notice within the time frames specified by Section 5222.2003. A failure to file timely notice shall not be deemed unjustified if the delay in filing is due to the employer's failure or refusal to supply the information necessary to complete the filing.

5222.2003. TIME FOR FILING NOTICE.

Subp. 1. Policy issuance. (ALL NEW) Notice of insurance coverage covered by this section must be filed by the insurer within 30 days after the effective date of the coverage.

Subp. 2. Cancellation. Notice of cancellation, termination or expiration must be submitted for filing by the insurer at the same time that notice is given to the insured, or, if cancellation is initiated by the insured, within thirty (30) days of receipt of notice from the insured. The policy shall remain in effect for thirty (30) days after the insurer's filing of notice, or, if sooner, until another policy or binder is issued by the same carrier or a different carrier.

Subp. 3. Receipt of notice. Filing is effective upon receipt by the MWCIA of a notice that complies with part 5222.2001. Notices received by the commissioner will be forwarded to the MWCIA and will not become effective until received by that organization.

Subp. 4. Failure to timely file. (ALL NEW) The failure of an insurer to file timely notice as required by this section, on five percent (5%) of all policies for which such notices are due in any calendar month, if greater than five notices, shall subject the insurer to the penalties of this subsection. If the commissioner determines that an insurer has exceeded this percentage on more than one occasion in one calendar year, the commissioner shall issue a warning letter advising the insurer of its responsibilities under the law, and the effect of future noncompliance.

If the commissioner determines that an insurer has exceeded this percentage on more than two occasions in one calendar year, the commissioner may require the insurer to provide to the commissioner a written description of the steps the insurer will take to implement changes in the insurer's notice filing procedures to prevent future untimely delays and periodic written reports as to the progress and success of the implementation of such procedures.

If the commissioner determines that an insurer has exceeded this percentage on more than three occasions in one calendar year, the commissioner may impose fines on the insurer for each untimely filing as follows:

If the percentage of untimely filing is:	The fine shall be for each such untimely filing:
Between 5% and 10% of policies for which notices are due in a calendar month -	$ 10.00 per policy
Between 11% and 15% of policies for which notices are due in a calendar month -	$ 25.00 per policy
Over 15% of policies for which notices are due in a calendar month -	$ 50.00 per policy

If the commissioner determines that an insurer has exceeded this percentage on more than six occasions in one calendar year, the commissioner may in addition to the other actions identified in this subsection notify the Department of Commerce and request a review of the insurer's authority to write workers' compensation insurance in Minnesota. This subpart does not affect the insurer's continued liability on the policy, as determined by law, for failure to timely file.

5222.2004. Effect of Filing

Filing with the MWCIA pursuant to these rules is deemed a filing with the commissioner for purposes of Minn. Stat. § 176.185, subd. 1. Filing pursuant to this rule is not notice to the employer under Minn. Stat. §§ 176.181 and 176.185.

5222.2005. Cancellation of Subsidiary Coverage.

Where a single policy covers a parent corporation and its subsidiaries, a cancellation or endorsement must be filed even if the policy for the parent is to continue. The notice must specify that the subsidiary is cancelled and the parent remains covered.

Where a new subsidiary is added to the policy, an endorsement to the declaration sheet must be filed.

5222.2006. These rules shall apply to all filings required by Minn. Stat. § 176.185 on or after March 1, 1987.

STATE OF MINNESOTA
DEPARTMENT OF LABOR AND INDUSTRY

In the Matter of the Adoption of the
Rule of the State of Minnesota
Governing Insurance Verification

DECLARATION
OF COUNSEL

I, William R. Howard, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. For Attorney General biling purposes, the four-digit docket client code is T242.

HUBERT H. HUMPHREY, III
Attorney General

William R Howard

WILLIAM R. HOWARD
Special Assistant
Attorney General
Suite 200, 520 Lafayette Road
St. Paul, MN 55155
(612) 296-2106

STATE OF MINNESOTA
DEPARTMENT OF LABOR AND INDUSTRY
WORKERS' COMPENSATION DIVISION

In the Matter of the Proposed Adoption by the Minnesota Department of Labor and Industry, Workers' Compensation Division, Governing Workers' Compensation Insurance Verification.

CERTIFICATE

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

I hereby certify that the list of interested persons and groups who have requested, pursuant to Minn. Stat. Section 14.14, subd. 1; 14.22, 14.30, (1984), that their names be placed on the list maintained by the Minnesota Department of Labor and Industry for the purpose of receiving notice of the proposed adoption of rules by this Department is accurate and complete as of 10:30am this 27th day of October, 1986.

Debra Caswell
Debra Caswell

STATE OF MINNESOTA

DEPARTMENT OF LABOR AND INDUSTRY

In the Matter of the Proposed Adoption by the Minnesota Department of Labor and Industry of Rules Governing Workers' Compensation Insurance Verification.

ORDER FOR PUBLICATION OF NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

IT IS ORDERED this 20th day of October, 1986, that a Notice of Intent to Adopt Rules Without a Public hearing in the above-captioned matter be published in the State Register and given to all persons and groups who have requested that their names be placed on the list maintained by the Minnesota Department of Labor and Industry for that purpose pursuant to Minn. Stat. § 14.22 (1984).

STATE OF MINNESOTA

Steve Keefe

Steve Keefe
Commissioner of Labor and Industry

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

STATE OF MINNESOTA
OFFICE OF THE ATTORNEY GENERAL
ST. PAUL 55155

ADDRESS REPLY TO:
SUITE 200
520 LAFAYETTE ROAD
ST. PAUL, MN 55155
TELEPHONE: (612) 297-1075

January 22, 1987

Office of the Attorney General
204 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155

RECEIVED
JAN 22 1987
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

Re: Workers' Compensation Insurance
Verification Rules

Dear Sir:

Enclosed herein for your review and filing with the Secretary of State are the Department of Labor and Industry's Rules relating to workers' compensation insurance verification. These rules were adopted pursuant to the requirements of Minn. Stat. Chapter 14 and the Rules of the Office of the Attorney General.

I am submitting the required documents set forth in Minn. Rule 2010.0300. I have not complied with Minn. Rules 2010.0300, subpart "O" because no individuals or organizations have requested to be notified of this submission. Therefore, subpart "O" is not applicable to this set of rules. Should you have any questions, do not hesitate to contact me at 296-2106.

Sincerely,

William R. Howard

WILLIAM R. HOWARD
Special Assistant
Attorney General
(612) 296-2106

WRH:car

Enclosure

cc: Ray Bohn, Commissioner, Labor and Industry
Shawn Kerns, Department of Labor and Industry
Gail Keckhafer, Special Compensation Fund

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT **Department of Labor and Industry**

Office Memorandum

TO: Steve Gunn
Assistant Attorney General

DATE: 1-6-87

FROM: Shawn Kerns S.K.
Compensation Attorney

PHONE: 7-4792

SUBJECT: **Proposed Rules Governing Insurance Verification**

Please find enclosed for your review Minnesota Rule 5222.2000-.2006 governing the filing of insurance coverage notices pursuant to Minn. Stat. §176.185. All documents required by Minnesota Rule 2010.0300 have been attached. If these rules are in order, please issue the necessary declaration and forward to the appropriate office.

If you have any questions regarding these rules, please let me know. Your cooperation in this matter is sincerely appreciated.

SK;dc
#5-33

Notice of Intent

Missing:

3. Statement that each comment should identify the portion of the proposed rule addressed, the reason for the comment + any change proposed.

6. Statement that any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request + any change proposed.

Authority

176.185 Re Policy of insurance

176.83: Com. has authority to adopt rules to implement the ~~chapter~~ provision of this chapter. The rules include, but are not limited to those ~~this~~ listed in this §. Insurance is not listed. But, since insurance is in the chapter the Com has authority to adopt this rule.

Rule

- SR