

(b) If such individual is separated from employment due to his own serious illness provided that such individual has made reasonable efforts to retain his employment; ;

(c) If such individual accepts work from a base period employer which involves a change in his location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 of this section and within a period of 13 weeks from the commencement of said work voluntarily discontinues his employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2; or

(d) If such individual left employment because he had reached mandatory retirement age and was 65 years of age or older.

(3) **DISCHARGE FOR GROSS MISCONDUCT.** If such individual was discharged for gross misconduct connected with his work or gross misconduct which interferes with and adversely affects his employment and provided further that the commissioner is empowered to impose a total disqualification for the benefit year and to cancel part or all of the wage credits from the last employer from whom he was discharged for gross misconduct connected with his work.

For the purpose of this clause "gross misconduct" shall be defined as misconduct involving assault and battery or the malicious destruction of property or the theft of money or property of a value of \$100 or more or arson or sabotage or embezzlement. However, no person shall be deemed to have been discharged for gross misconduct for purposes of chapter 268 unless (1) the person makes an admission to the conduct in writing or under oath, or (2) the person is found to have engaged in such conduct by an appeals tribunal established pursuant to section 268.10, or (3) the person has been convicted by a court of competent jurisdiction of acts constituting gross misconduct.

(4) **LIMITED OR NO CHARGE OF BENEFITS.** Benefits paid subsequent to an individual's separation under any of the foregoing clauses, excepting clause (2)(c), or because of his failure, without good cause, to accept an offer of suitable re-employment, shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated or whose offer of re-employment he refused; provided that this clause shall not apply to an individual involuntarily separated from employment because of pregnancy.

Approved May 25, 1977.

CHAPTER 243—H.F.No.635

[Coded in Part]

An act relating to insurance; increasing solicitors license fees; authorizing issuance of cease and desist orders and injunctions; prescribing and clarifying penalties; amending Minnesota Statutes 1976, Sections 60A.17, Subdivision 4, and by adding subdivisions; and 72A.07.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 60A.17, Subdivision 4, is amended to read:

Subd. 4. **INSURANCE; SOLICITORS. (1) AGENT MAY EMPLOY.** An insurance agent, duly authorized as such and representing one or more insurers within this state, may employ such solicitors as he may desire to represent him, but these solicitors shall not represent themselves, by advertisement or otherwise, as agents of the insurer or insurers represented by their employer, and they shall in all instances represent themselves only as solicitors for the insurance agents.

(2) **REQUIREMENTS.** No person shall act, or assume to act, as an insurance solicitor until he ~~shall have obtained~~ obtains a license from the commissioner a ~~license therefor, and paid~~ and pays a fee of \$40, ~~which~~ \$25. A solicitor's license shall be issued to him only on the requisition of an insurance agent duly licensed in this state and the filing of the application and the passing of the examinations required of agents. All fees received pursuant to this subdivision shall be deposited in the general fund.

Sec. 2. Minnesota Statutes 1976, Section 60A.17, is amended by adding a subdivision to read:

Subd. 5a. CEASE AND DESIST ORDERS; INJUNCTIONS. Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapter 60A or any rule or order of the commissioner:

(1) He may issue and cause to be served upon the person an order requiring the person to cease and desist from the violation. The order shall be calculated to give reasonable notice of the time and place of hearing and shall state the reasons for the entry of the order. A hearing shall be held not later than seven days after the issuance of the order after which, and within 20 days of the date of the hearing, the commissioner shall issue an order vacating the cease and desist order or making it permanent as the facts require. All hearings shall be conducted in accordance with the provisions of chapter 15. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against him upon consideration of the cease and desist order, the allegations of which may be deemed to be true;

(2) He may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with chapter 60A and any rule or order of the commissioner; and

(3) In any proceeding under chapter 60A relating to injunction, the request for injunction may be brought on for hearing and disposition upon an order to show cause returnable upon not more than eight days notice to the defendant and the case shall have precedence over other matters on the court calendar and shall not be continued without the consent of the state of Minnesota, except upon good cause shown to the court, and

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then only for a reasonable length of time as may be necessary in the opinion of the court to protect the rights of the defendant.

Sec. 3. Minnesota Statutes 1976, Section 60A.17, is amended by adding a subdivision to read:

Subd. 6a. VIOLATIONS BY AGENTS OR SOLICITORS. In addition to any other remedy provided by section 60A.17, if the commissioner determines that any person licensed as an agent or solicitor has violated any of the provisions of section 60A.17, he may alternatively or in any combination:

(a) Revoke or suspend the agent or solicitor's license as provided in subdivision 7;

(b) Lodge a criminal complaint against the person and cause him to be prosecuted as provided in section 72A.07; or

(c) By his order impose a civil penalty not exceeding \$300 for each violation.

If the commissioner imposes a civil penalty his order may be appealed under the contested case provisions of sections 15.0418 to 15.0426. If the penalty is not paid within 30 days of its imposition or within 30 days of the final determination of an appeal, whichever occurs later, the amount of the penalty may be recovered as a debt owed in an action brought by the attorney general for that purpose. No agent or solicitor's license may be renewed or reinstated until the applicant has paid any penalty owed as a debt under this subdivision.

Sec. 4. Minnesota Statutes 1976, Section 72A.07, is amended to read:

72A.07 VIOLATIONS OF LAWS RELATING TO AGENTS, PENALTIES. Any person, firm, or corporation violating, or failing to comply with, any of the provisions of section 60A.17 and any person who acts in any manner in the negotiation or transaction of unlawful insurance with an insurance company not licensed to do business in the state, or who, as principal or agent, violates any provision of law relating to the negotiation or effecting of contracts of insurance, shall be guilty of a misdemeanor. ~~The duty of a strict observance and enforcement of this law and prosecution for any violation thereof is hereby expressly imposed upon the commissioner of insurance, and~~ Upon the filing of a complaint by the commissioner of insurance in a court of competent jurisdiction against any person violating any provisions of this section, ~~it shall be the duty of the county attorney of the county in which the violation occurred to shall prosecute such the person.~~ Upon the conviction of any agent or solicitor of any violation of the provisions of section 60A.17, the commissioner shall suspend the authority of ~~such the~~ agent or solicitor to transact any insurance business within the state for a period of not less than three months. Any insurer employing an agent and failing to procure a license, as required by section 60A.17, or ~~permitting such~~ allowing the agent to transact business for it within the state before ~~such~~ a license has been procured, shall pay the commissioner, for the use of the state, a penalty of \$25 for each offense; ~~and, Each sale of an insurance policy by an unlicensed agent shall constitute a separate offense, but no insurer shall be required to pay more than \$300 in penalties as a result of the activities of a single unlicensed agent. In~~

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the event of failure to pay ~~the a~~ penalty within ten days after notice from the commissioner, the authority of the insurer to do business in this state shall be revoked by the commissioner until the penalty is paid; ~~and~~. No insurer whose authority is revoked shall be readmitted until it shall have complied with all the terms and conditions imposed for admission in the first instance; ~~provided, that~~. Any action taken by the commissioner under ~~the provisions~~ of this section shall be subject to review by the district court of the county in which the office of the commissioner is located.

Sec. 5. This act is effective July 1, 1977.

Approved May 25, 1977.

CHAPTER 244—H.F.No.675

An act relating to insurance; changing the filing date for annual statements of township mutual companies; changing limitations on property insurable by township mutual companies; changing limitations on investments by township mutual companies; amending Minnesota Statutes 1976, Sections 67A.11, Subdivision 3; 67A.14, Subdivisions 1 and 5; and 67A.23.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 67A.11, Subdivision 3, is amended to read:

Subd. 3. **INSURANCE; TOWNSHIP MUTUALS; ANNUAL STATEMENT.** On or before ~~February~~ March first, following the end of each fiscal year, the president and the secretary shall file with the commissioner a verified statement of the entire business and condition of the company, which statement shall contain such data and information in reference to the business of the preceding fiscal year as shall be required by the commissioner.

Sec. 2. Minnesota Statutes 1976, Section 67A.14, Subdivision 1, is amended to read:

67A.14 INSURABLE PROPERTY. Subdivision 1. **KINDS OF PROPERTY.** Township mutual fire insurance companies may insure dwellings ~~and personal property used in connection therewith,~~ household goods, appurtenant structures, farm buildings, farm personal property, churches ~~and,~~ church personal property ~~used in connection therewith,~~ county fair buildings, community and township meeting halls and their usual contents; ~~parsonages and their personal property and the appurtenant structures and personal property used in connection therewith.~~

Sec. 3. Minnesota Statutes 1976, Section 67A.14, Subdivision 5, is amended to read:

Subd. 5. **WHAT MAY NOT BE INSURED; PROPERTY OUTSIDE DESIGNATED TERRITORY.** No township mutual fire insurance company shall insure any property in cities of the first or second class or any property outside of the limits of ~~Changes or additions indicated by underline deletions by strikeout~~