

1.1 moves to amend H.F. No. 2601 as follows:

1.2 Page 3, after line 8, insert:

1.3 "Sec. 2. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision to
1.4 read:

1.5 Subd. 6. **Other violations.** If the commissioner believes a person has committed a
1.6 violation of section 60D.17 that prevents the full understanding of the enterprise risk to the
1.7 insurer by affiliates or by the insurance holding company system, the violation may serve
1.8 as an independent basis for disapproving dividends or distributions and for placing the
1.9 insurer under an order of supervision under chapter 60B.

1.10 Sec. 3. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

1.11 Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled
1.12 by," and "under common control with," means the possession, direct or indirect, of the
1.13 power to direct or cause the direction of the management and policies of a person, whether
1.14 through the ownership of voting securities, by contract other than a commercial contract
1.15 for goods or nonmanagement services, or otherwise, unless the power is the result of an
1.16 official position with, or corporate office held by, ~~or court appointment of,~~ the person.
1.17 Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with
1.18 the power to vote, or holds proxies representing, ten percent or more of the voting securities
1.19 of any other person. This presumption may be rebutted by a showing made in the manner
1.20 provided by section 60D.19, subdivision 11, that control does not exist in fact. The
1.21 commissioner may determine, after furnishing all persons in interest notice and opportunity
1.22 to be heard and making specific findings of fact to support ~~such~~ the determination, that
1.23 control exists in fact, notwithstanding the absence of a presumption to that effect.

2.1 Sec. 4. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to
2.2 read:

2.3 Subd. 4c. **Group capital calculation instructions.** "Group capital calculation
2.4 instructions" means the group capital calculation instructions adopted by the NAIC and as
2.5 amended by the NAIC from time to time in accordance with procedures adopted by the
2.6 NAIC.

2.7 Sec. 5. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to
2.8 read:

2.9 Subd. 6b. **NAIC.** "NAIC" means the National Association of Insurance Commissioners.

2.10 Sec. 6. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to
2.11 read:

2.12 Subd. 6c. **NAIC liquidity stress test framework.** "NAIC liquidity stress test framework"
2.13 means a NAIC publication which includes a history of the NAIC's development of regulatory
2.14 liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity
2.15 stress test instructions and reporting templates for a specific data year, scope criteria,
2.16 instructions, and reporting template being adopted by the NAIC, and as amended by the
2.17 NAIC from time to time in accordance with the procedures adopted by the NAIC.

2.18 Sec. 7. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

2.19 Subd. 7. **Person.** A "person" is an individual, a corporation, a limited liability company,
2.20 a partnership, an association, a joint stock company, a trust, an unincorporated organization,
2.21 any similar entity or any combination of the foregoing acting in concert, but does not include
2.22 any joint venture partnership exclusively engaged in owning, managing, leasing, or
2.23 developing real or tangible personal property.

2.24 Sec. 8. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to
2.25 read:

2.26 Subd. 7a. **Scope criteria.** "Scope criteria," as detailed in the NAIC liquidity stress test
2.27 framework, means the designated exposure bases along with minimum magnitudes of the
2.28 designated exposure bases for the specified data year that are used to establish a preliminary
2.29 list of insurers considered scoped into the NAIC liquidity stress test framework for that data
2.30 year.

3.1 Sec. 9. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

3.2 Subd. 2. **Additional investment authority.** In addition to investments in common stock,
3.3 preferred stock, debt obligations, and other securities otherwise permitted under this chapter,
3.4 a domestic insurer may also:

3.5 (a) Invest, in common stock, preferred stock, debt obligations, and other securities of
3.6 one or more subsidiaries, amounts that do not exceed the lesser of ten percent of the insurer's
3.7 assets or 50 percent of the insurer's surplus as regards policyholders, provided that after the
3.8 investments, the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation
3.9 to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the
3.10 amount of these investments, investments in domestic or foreign insurance subsidiaries and
3.11 health maintenance organizations must be excluded, and there must be included:

3.12 (1) total net money or other consideration expended and obligations assumed in the
3.13 acquisition or formation of a subsidiary, including all organizational expenses and
3.14 contributions to capital and surplus of the subsidiary whether or not represented by the
3.15 purchase of capital stock or issuance of other securities; and

3.16 (2) all amounts expended in acquiring additional common stock, preferred stock, debt
3.17 obligations, and other securities; and all contributions to the capital or surplus; of a subsidiary
3.18 subsequent to its acquisition or formation.

3.19 (b) Invest any amount in common stock, preferred stock, debt obligations, and other
3.20 securities of one or more subsidiaries engaged or organized to engage exclusively in the
3.21 ownership and management of assets authorized as investments for the insurer provided
3.22 that the subsidiary agrees to limit its investments in any asset so that the investments ~~will~~
3.23 do not cause the amount of the total investment of the insurer to exceed any of the investment
3.24 limitations specified in paragraph (a) or other statutes applicable to the insurer. For the
3.25 purpose of this paragraph, "the total investment of the insurer" includes:

3.26 (1) any direct investment by the insurer in an asset; and

3.27 (2) the insurer's proportionate share of any investment in an asset by any subsidiary of
3.28 the insurer, which must be calculated by multiplying the amount of the subsidiary's
3.29 investment by the percentage of the ownership of the subsidiary.

3.30 (c) With the approval of the commissioner, invest any greater amount in common stock,
3.31 preferred stock, debt obligations, or other securities of one or more subsidiaries, if after the
3.32 investment the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to
3.33 the insurer's outstanding liabilities and adequate to its financial needs.

4.1 Sec. 10. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

4.2 Subdivision 1. **Filing requirements.** (a) No person other than the issuer shall: (1) make
4.3 a tender offer for or a request or invitation for tenders of, or enter into any agreement to
4.4 exchange securities ~~or~~ for, seek to acquire, or acquire, in the open market or otherwise, any
4.5 voting security of a domestic insurer if, after the consummation thereof, the person would,
4.6 directly or indirectly, or by conversion or by exercise of any right to acquire, be in control
4.7 of the insurer; or (2) enter into an agreement to merge with or otherwise to acquire control
4.8 of a domestic insurer or any person controlling a domestic insurer unless, at the time the
4.9 offer, request, or invitation is made or the agreement is entered into, or before the acquisition
4.10 of the securities if no offer or agreement is involved, the person has filed with the
4.11 commissioner and has sent to the insurer, a statement containing the information required
4.12 by this section and the offer, request, invitation, agreement, or acquisition has been approved
4.13 by the commissioner in the manner prescribed in this section.

4.14 (b) For purposes of this section, a controlling person of a domestic insurer seeking to
4.15 divest its controlling interest in the domestic insurer, in any manner, shall file with the
4.16 commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at
4.17 least 30 days before the cessation of control. The commissioner shall determine those
4.18 instances in which the party or parties seeking to divest or to acquire a controlling interest
4.19 in an insurer will be required to file for and obtain approval of the transaction. The
4.20 information must remain confidential until the conclusion of the transaction unless the
4.21 commissioner, in the commissioner's discretion, determines that confidential treatment
4.22 interferes with the enforcement of this section. This paragraph does not apply if the statement
4.23 referred to in paragraph (a) is otherwise filed.

4.24 (c) With respect to a transaction subject to this section, the acquiring person must also
4.25 file a preacquisition notification with the commissioner, which must contain the information
4.26 set forth in section 60D.18, subdivision 3, paragraph (b). A failure to file the notification
4.27 may be subject to penalties specified in section 60D.18, subdivision 5.

4.28 (d) For purposes of this section, a domestic insurer includes a person controlling a
4.29 domestic insurer unless the person₂ as determined by the commissioner₂ is either directly
4.30 or through its affiliates primarily engaged in business other than the business of insurance.
4.31 For the purposes of this section, "person" does not include any securities broker holding,
4.32 in the usual and customary ~~brokers~~ broker's function, less than 20 percent of the voting
4.33 securities of an insurance company or of any person that controls an insurance company.

5.1 ~~(e) The statement filed with the commissioner pursuant to subdivisions 1 and 2 must~~
5.2 ~~remain confidential until the transaction is approved by the commissioner, except that all~~
5.3 ~~attachments filed with the statement remain confidential after the approval unless the~~
5.4 ~~commissioner, in the commissioner's discretion, determines that confidential treatment of~~
5.5 ~~any of this information will interfere with enforcement of this section.~~

5.6 Sec. 11. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

5.7 Subd. 3. **Preacquisition notification; waiting period.** (a) An acquisition covered by
5.8 subdivision 2 may be subject to an order pursuant to subdivision ~~4~~ 5 unless the acquiring
5.9 person files a preacquisition notification and the waiting period has expired. The acquired
5.10 person may file a preacquisition notification. The commissioner shall give confidential
5.11 treatment to information submitted under this section in the same manner as provided in
5.12 section 60D.22.

5.13 (b) The preacquisition notification must be in the form and contain the information as
5.14 prescribed by the National Association of Insurance Commissioners relating to those markets
5.15 that, under subdivision 2, paragraph (b), clause ~~(5)~~ (4), cause the acquisition not to be
5.16 exempted from the provisions of this section. The commissioner may require ~~the~~ additional
5.17 material and information as the commissioner deems necessary to determine whether the
5.18 proposed acquisition, if consummated, would violate the competitive standard of subdivision
5.19 4. The required information may include an opinion of an economist as to the competitive
5.20 impact of the acquisition in this state accompanied by a summary of the education and
5.21 experience of the person indicating that person's ability to render an informed opinion.

5.22 (c) The waiting period required begins on the date of receipt of the commissioner of a
5.23 preacquisition notification and ends on the earlier of the 30th day after the date of its receipt,
5.24 or termination of the waiting period by the commissioner. Before the end of the waiting
5.25 period, the commissioner on a onetime basis may require the submission of additional
5.26 needed information relevant to the proposed acquisition, in which event the waiting period
5.27 shall end on the earlier of the 30th day after receipt of the additional information by the
5.28 commissioner or termination of the waiting period by the commissioner.

5.29 Sec. 12. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

5.30 Subd. 4. **Materiality.** No information need be disclosed on the registration statement
5.31 filed pursuant to subdivision 2 if the information is not material for the purposes of this
5.32 section. Unless the commissioner by rule or order provides otherwise; sales, purchases,
5.33 exchanges, loans or extensions of credit, investments, or guarantees involving one-half of

6.1 one percent or less of an insurer's admitted assets as of the 31st day of December next
6.2 preceding shall not be deemed material for purposes of this section. The definition of
6.3 materiality provided in this subdivision does not apply for purposes of the group capital
6.4 calculation or the NAIC liquidity stress test framework.

6.5 Sec. 13. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to
6.6 read:

6.7 Subd. 11b. **Group capital calculation.** (a) Except as otherwise provided in this paragraph,
6.8 the ultimate controlling person of every insurer subject to registration must concurrently
6.9 file with the registration an annual group capital calculation as directed by the lead state
6.10 insurance commissioner. The report must be completed in accordance with the NAIC group
6.11 capital calculation instructions, which may permit the lead state insurance commissioner
6.12 to allow a controlling person that is not the ultimate controlling person to file the group
6.13 capital calculation. The report must be filed with the lead state insurance commissioner of
6.14 the insurance holding company system, as determined by the commissioner in accordance
6.15 with the procedures within the Financial Analysis Handbook adopted by the NAIC. The
6.16 following insurance holding company systems are exempt from filing the group capital
6.17 calculation:

6.18 (1) an insurance holding company system that (i) has only one insurer within the insurance
6.19 holding company system's holding company structure, (ii) only writes business and is only
6.20 licensed in the insurance holding company system's domestic state, and (iii) assumes no
6.21 business from any other insurer;

6.22 (2) an insurance holding company system that is required to perform a group capital
6.23 calculation specified by the United States Federal Reserve Board. The lead state insurance
6.24 commissioner must request the calculation from the Federal Reserve Board under the terms
6.25 of information sharing agreements in effect. If the Federal Reserve Board is unable to share
6.26 the calculation with the lead state insurance commissioner, the insurance holding company
6.27 system is not exempt from the group capital calculation filing;

6.28 (3) an insurance holding company system whose non-United States groupwide supervisor
6.29 is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b,
6.30 that recognizes the United States state regulatory approach to group supervision and group
6.31 capital; or

6.32 (4) an insurance holding company system:

7.1 (i) that provides information to the lead state insurance commissioner that meets the
7.2 requirements for accreditation under the NAIC financial standards and accreditation program,
7.3 either directly or indirectly through the groupwide supervisor, that has determined the
7.4 information is satisfactory to allow the lead state insurance commissioner to comply with
7.5 the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook;
7.6 and

7.7 (ii) whose non-United States groupwide supervisor that is not in a reciprocal jurisdiction
7.8 recognizes and accepts, as specified by the commissioner in an administrative rule, the
7.9 group capital calculation as the worldwide group capital assessment for United States
7.10 insurance groups that operate in that jurisdiction.

7.11 (b) Notwithstanding paragraph (a), clauses (3) and (4), a lead state insurance
7.12 commissioner must require the group capital calculation for the United States operations
7.13 of any non-United States based insurance holding company system where, after any necessary
7.14 consultation with other supervisors or officials, requiring the group capital calculation is
7.15 deemed appropriate by the lead state insurance commissioner for prudential oversight and
7.16 solvency monitoring purposes or for ensuring the competitiveness of the insurance
7.17 marketplace.

7.18 (c) Notwithstanding the exemptions from filing the group capital calculation under
7.19 paragraph (a), the lead state insurance commissioner may exempt the ultimate controlling
7.20 person from filing the annual group capital calculation or accept a limited group capital
7.21 filing or report in accordance with criteria specified by the commissioner in an administrative
7.22 rule.

7.23 (d) If the lead state insurance commissioner determines that an insurance holding company
7.24 system no longer meets one or more of the requirements for an exemption from filing the
7.25 group capital calculation under this subdivision, the insurance holding company system
7.26 must file the group capital calculation at the next annual filing date unless given an extension
7.27 by the lead state insurance commissioner based on reasonable grounds shown.

7.28 Sec. 14. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to
7.29 read:

7.30 Subd. 11c. **Liquidity stress test.** (a) The ultimate controlling person of every insurer
7.31 subject to registration and also scoped into the NAIC liquidity stress test framework must
7.32 file the results of a specific year's liquidity stress test. The filing must be made to the lead
7.33 state insurance commissioner of the insurance holding company system, as determined by
7.34 the procedures within the Financial Analysis Handbook adopted by the NAIC.

8.1 (b) The NAIC liquidity stress test framework includes scope criteria applicable to a
8.2 specific data year. The scope criteria must be reviewed at least annually by the NAIC
8.3 Financial Stability Task Force or the NAIC Financial Stability Task Force's successor. Any
8.4 change made to the NAIC liquidity stress test framework or to the data year for which the
8.5 scope criteria must be measured is effective January 1 of the year following the calendar
8.6 year in which the change is adopted. An insurer meeting at least one threshold of the scope
8.7 criteria is scoped into the NAIC liquidity stress test framework for the specified data year
8.8 unless the lead state insurance commissioner, in consultation with the NAIC Financial
8.9 Stability Task Force or the NAIC Financial Stability Task Force's successor, determines
8.10 the insurer should not be scoped into the framework for that data year. An insurer that does
8.11 not trigger at least one threshold of the scope criteria is scoped out of the NAIC liquidity
8.12 stress test framework for the specified data year unless the lead state insurance commissioner,
8.13 in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability
8.14 Task Force's successor, determines the insurer should be scoped into the framework for the
8.15 specified data year.

8.16 (c) The commissioner and other state insurance commissioners must avoid scoping
8.17 insurers in and out of the NAIC liquidity stress test framework on a frequent basis. The lead
8.18 state insurance commissioner, in consultation with the NAIC Financial Stability Task Force
8.19 or the NAIC Financial Stability Task Force's successor, must assess irregular scope status
8.20 as part of an insurer's determination.

8.21 (d) The performance of and filing of the results from a specific year's liquidity stress
8.22 test must comply with (1) the NAIC liquidity stress test framework's instructions and
8.23 reporting templates for the specific year, and (2) any lead state insurance commissioner
8.24 determinations, in consultation with the NAIC Financial Stability Task Force or the NAIC
8.25 Financial Stability Task Force's successor, provided within the framework.

8.26 **Sec. 15. [60D.195] GROUP CAPITAL CALCULATION.**

8.27 Subdivision 1. **Annual group capital calculation; exemption permitted.** The lead
8.28 state insurance commissioner may exempt the ultimate controlling person from filing the
8.29 annual group capital calculation if the lead state insurance commissioner makes a
8.30 determination that the insurance holding company system meets the following criteria:

8.31 (1) has annual direct written and unaffiliated assumed premium, including international
8.32 direct and assumed premium but excluding premiums reinsured with the Federal Crop
8.33 Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000;

9.1 (2) has no insurers within the insurance holding company's structure that are domiciled
9.2 outside of the United States or a United States territory;

9.3 (3) has no banking, depository, or other financial entity that is subject to an identified
9.4 regulatory capital framework within the insurance holding company's structure;

9.5 (4) attests that no material changes in the transactions between insurers and noninsurers
9.6 in the group have occurred since the last annual group capital filing; and

9.7 (5) the noninsurers within the holding company system do not pose a material financial
9.8 risk to the insurer's ability to honor policyholder obligations.

9.9 Subd. 2. **Limited group capital filing.** The lead state insurance commissioner may
9.10 accept a limited group capital filing in lieu of the group capital calculation if:

9.11 (1) the insurance holding company system has annual direct written and unaffiliated
9.12 assumed premium, including international direct and assumed premium but excluding
9.13 premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program,
9.14 of less than \$1,000,000,000; and

9.15 (2) the insurance holding company system:

9.16 (i) has no insurers within the insurance holding company's structure that are domiciled
9.17 outside of the United States or a United States territory;

9.18 (ii) does not include a banking, depository, or other financial entity that is subject to an
9.19 identified regulatory capital framework; and

9.20 (iii) attests that no material changes in transactions between insurers and noninsurers in
9.21 the group have occurred and the noninsurers within the holding company system do not
9.22 pose a material financial risk to the insurer's ability to honor policyholder obligations.

9.23 Subd. 3. **Previous exemption; required filing.** For an insurance holding company that
9.24 has previously met an exemption with respect to the group capital calculation under
9.25 subdivision 1 or 2, the lead state insurance commissioner may at any time require the ultimate
9.26 controlling person to file an annual group capital calculation, completed in accordance with
9.27 the NAIC group capital calculation instructions, if:

9.28 (1) an insurer within the insurance holding company system is in a risk-based capital
9.29 action level event under section 60A.62 or a similar standard for a non-United States insurer;

9.30 (2) an insurer within the insurance holding company system meets one or more of the
9.31 standards of an insurer deemed to be in hazardous financial condition, as defined under
9.32 section 60E.02, subdivision 5; or

10.1 (3) an insurer within the insurance holding company system otherwise exhibits qualities
10.2 of a troubled insurer, as determined by the lead state insurance commissioner based on
10.3 unique circumstances, including but not limited to the type and volume of business written,
10.4 ownership and organizational structure, federal agency requests, and international supervisor
10.5 requests.

10.6 Subd. 4. **Non-United States jurisdictions; recognition and acceptance.** A non-United
10.7 States jurisdiction is deemed to recognize and accept the group capital calculation if the
10.8 non-United States jurisdiction:

10.9 (1) with respect to section 60D.19, subdivision 11b, paragraph (a), clause (4):

10.10 (i) recognizes the United States state regulatory approach to group supervision and group
10.11 capital by providing confirmation by a competent regulatory authority in the non-United
10.12 States jurisdiction that insurers and insurance groups whose lead state is accredited by the
10.13 NAIC under the NAIC accreditation program: (A) are subject only to worldwide prudential
10.14 insurance group supervision, including worldwide group governance, solvency and capital,
10.15 and reporting, as applicable, by the lead state; and (B) are not subject to group supervision,
10.16 including worldwide group governance, solvency and capital, and reporting, at the level of
10.17 the worldwide parent undertaking of the insurance or reinsurance group by the non-United
10.18 States jurisdiction; or

10.19 (ii) if no United States insurance group operates in the non-United States jurisdiction,
10.20 indicates formally in writing to the lead state with a copy to the International Association
10.21 of Insurance Supervisors that the group capital calculation is an acceptable international
10.22 capital standard. The formal indication under this item serves as the documentation otherwise
10.23 required under item (i); and

10.24 (2) provides confirmation by a competent regulatory authority in the non-United States
10.25 jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or
10.26 affiliated entities, if applicable, must be provided to the lead state insurance commissioner
10.27 in accordance with a memorandum of understanding or similar document between the
10.28 commissioner and the non-United States jurisdiction, including but not limited to the
10.29 International Association of Insurance Supervisors Multilateral Memorandum of
10.30 Understanding or other multilateral memoranda of understanding coordinated by the NAIC.
10.31 The commissioner must determine, in consultation with the NAIC committee process, if
10.32 the information sharing agreement requirements are effective.

10.33 Subd. 5. **Non-United States jurisdiction; publication.** (a) A list of non-United States
10.34 jurisdictions that recognize and accept the group capital calculation under section 60D.19,

11.1 subdivision 11b, paragraph (a), clause (4), must be published through the NAIC committee
11.2 process to assist the lead state insurance commissioner determine what insurers must file
11.3 an annual group capital calculation. The list must clarify the situations in which a jurisdiction
11.4 is exempt from filing under section 60D.19, subdivision 11b, paragraph (a), clause (4). To
11.5 assist with a determination under section 60D.19, subdivision 11b, paragraph (b), the list
11.6 must also identify whether a jurisdiction that is exempt under section 60D.19, subdivision
11.7 11b, paragraph (a), clause (3) or (4), requires a group capital filing for any United States
11.8 insurance group's operations in the non-United States jurisdiction.

11.9 (b) For a non-United States jurisdiction where no United States insurance group operates,
11.10 the confirmation provided to comply with subdivision 4, clause (1), item (ii), serves as
11.11 support for a recommendation to be published that the non-United States jurisdiction is a
11.12 jurisdiction that recognizes and accepts the group capital calculation pursuant to the NAIC
11.13 committee process.

11.14 (c) If the lead state insurance commissioner makes a determination pursuant to section
11.15 60D.19, subdivision 11b, that differs from the NAIC list, the lead state insurance
11.16 commissioner must provide thoroughly documented justification to the NAIC and other
11.17 states.

11.18 (d) Upon a determination by the lead state insurance commissioner that a non-United
11.19 States jurisdiction no longer meets one or more of the requirements to recognize and accept
11.20 the group capital calculation, the lead state insurance commissioner may provide a
11.21 recommendation to the NAIC that the non-United States jurisdiction be removed from the
11.22 list of jurisdictions that recognize and accept the group capital calculation.

11.23 Sec. 16. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

11.24 Subdivision 1. **Transactions within an insurance holding company system.** (a)
11.25 Transactions within an insurance holding company system to which an insurer subject to
11.26 registration is a party are subject to the following standards:

11.27 (1) the terms shall be fair and reasonable;

11.28 (2) agreements for cost-sharing services and management shall include the provisions
11.29 required by rule issued by the commissioner;

11.30 (3) charges or fees for services performed shall be reasonable;

11.31 (4) expenses incurred and payment received shall be allocated to the insurer in conformity
11.32 with customary insurance accounting practices consistently applied;

12.1 (5) the books, accounts, and records of each party to all such transactions shall be so
12.2 maintained as to clearly and accurately disclose the nature and details of the transactions
12.3 including this accounting information as is necessary to support the reasonableness of the
12.4 charges or fees to the respective parties; ~~and~~

12.5 (6) the insurer's surplus as regards policyholders following any dividends or distributions
12.6 to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities
12.7 and adequate to its financial needs;

12.8 (7) if the commissioner determines an insurer subject to this chapter is in a hazardous
12.9 financial condition, as defined under section 60E.02, subdivision 5, or a condition that would
12.10 be grounds for supervision, conservation, or a delinquency proceeding, the commissioner
12.11 may require the insurer to secure and maintain either a deposit, held by the commissioner,
12.12 or a bond, as determined by the insurer at the insurer's discretion, to protect the insurer for
12.13 the duration of the contract, agreement, or the existence of the condition for which the
12.14 commissioner required the deposit or bond. When determining whether a deposit or bond
12.15 is required, the commissioner must consider whether concerns exist with respect to the
12.16 affiliated person's ability to fulfill the contract or agreement if the insurer entered into
12.17 liquidation. Once the insurer is deemed to be in a hazardous financial condition or a condition
12.18 that would be grounds for supervision, conservation, or a delinquency proceeding, and a
12.19 deposit or bond is necessary, the commissioner may determine the amount of the deposit
12.20 or bond, not to exceed the value of the contract or agreement in any one year, and whether
12.21 the deposit or bond is required for a single contract, multiple contracts, or a contract only
12.22 with a specific person or persons;

12.23 (8) all of an insurer's records and data held by an affiliate are and remain the property
12.24 of the insurer, are subject to control of the insurer, are identifiable, and are segregated or
12.25 readily capable of segregation, at no additional cost to the insurer, from all other persons'
12.26 records and data. For purposes of this clause, records and data include all records and data
12.27 that are otherwise the property of the insurer in whatever form maintained, including but
12.28 not limited to claims and claim files, policyholder lists, application files, litigation files,
12.29 premium records, rate books, underwriting manuals, personnel records, financial records,
12.30 or similar records within the affiliate's possession, custody, or control. At the request of the
12.31 insurer, the affiliate must provide that the receiver may (i) obtain a complete set of all records
12.32 of any type that pertain to the insurer's business, (ii) obtain access to the operating systems
12.33 on which the data are maintained, (iii) obtain the software that runs the operating systems
12.34 either through assumption of licensing agreements or otherwise, and (iv) restrict the use of
12.35 the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate

13.1 must provide a waiver of any landlord lien or other encumbrance to provide the insurer
13.2 access to all records and data in the event the affiliate defaults under a lease or other
13.3 agreement; and

13.4 (9) premiums or other funds belonging to the insurer that are collected or held by an
13.5 affiliate are the exclusive property of the insurer and are subject to the control of the insurer.
13.6 Any right of offset in the event an insurer is placed into receivership is subject to chapter
13.7 576.

13.8 (b) The following transactions involving a domestic insurer and any person in its
13.9 insurance holding company system, including amendments or modifications of affiliate
13.10 agreements previously filed pursuant to this section, which are subject to any materiality
13.11 standards contained in clauses (1) to (7), may not be entered into unless the insurer has
13.12 notified the commissioner in writing of its intention to enter into the transaction at least 30
13.13 days prior thereto, or a shorter period the commissioner permits, and the commissioner has
13.14 not disapproved it within this period. The notice for amendments or modifications must
13.15 include the reasons for the change and the financial impact on the domestic insurer. Informal
13.16 notice must be reported, within 30 days after a termination of a previously filed agreement,
13.17 to the commissioner for determination of the type of filing required, if any:

13.18 (1) sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments
13.19 provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the
13.20 lesser of three percent of the insurer's admitted assets, or 25 percent of surplus as regards
13.21 policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets;
13.22 each as of the 31st day of December next preceding;

13.23 (2) loans or extensions of credit to any person who is not an affiliate, where the insurer
13.24 makes the loans or extensions of credit with the agreement or understanding that the proceeds
13.25 of the transactions, in whole or in substantial part, are to be used to make loans or extensions
13.26 of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer
13.27 making such loans or extensions of credit provided the transactions are equal to or exceed:
13.28 (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets
13.29 or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three
13.30 percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

13.31 (3) reinsurance agreements or modifications to those agreements, including: (i) all
13.32 reinsurance pooling agreements; and (ii) agreements in which the reinsurance premium or
13.33 a change in the insurer's liabilities, or the projected reinsurance premium or a change in the
13.34 insurer's liabilities in any of the next three years, equals or exceeds five percent of the

14.1 insurer's surplus as regards policyholders, as of the 31st day of December next preceding,
14.2 including those agreements which may require as consideration the transfer of assets from
14.3 an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and
14.4 nonaffiliate that any portion of ~~such~~ the assets will be transferred to one or more affiliates
14.5 of the insurer;

14.6 (4) all management agreements, service contracts, tax allocation agreements, guarantees,
14.7 and all cost-sharing arrangements;

14.8 (5) guarantees when made by a domestic insurer; provided, however, that a guarantee
14.9 which is quantifiable as to amount is not subject to the notice requirements of this paragraph
14.10 unless it exceeds the lesser of one-half of one percent of the insurer's admitted assets or ten
14.11 percent of surplus as regards policyholders as of the 31st day of December next preceding.
14.12 Further, all guarantees which are not quantifiable as to amount are subject to the notice
14.13 requirements of this paragraph;

14.14 (6) direct or indirect acquisitions or investments in a person that controls the insurer or
14.15 in an affiliate of the insurer in an amount which, together with its present holdings in the
14.16 investments, exceeds 2-1/2 percent of the insurer's surplus to policyholders. Direct or indirect
14.17 acquisitions or investments in subsidiaries acquired pursuant to section 60D.16, as otherwise
14.18 authorized under this chapter, or in nonsubsidiary insurance affiliates that are subject to the
14.19 provisions of sections 60D.15 to 60D.29, are exempt from this requirement; and

14.20 (7) any material transactions, specified by regulation, which the commissioner determines
14.21 may adversely affect the interests of the insurer's policyholders.

14.22 Nothing contained in this section authorizes or permits any transactions that, in the case
14.23 of an insurer not a member of the same insurance holding company system, would be
14.24 otherwise contrary to law.

14.25 (c) A domestic insurer may not enter into transactions which are part of a plan or series
14.26 of like transactions with persons within the insurance holding company system if the purpose
14.27 of those separate transactions is to avoid the statutory threshold amount and thus avoid the
14.28 review that would occur otherwise. If the commissioner determines that the separate
14.29 transactions were entered into over any 12-month period for the purpose, the commissioner
14.30 may exercise the authority under section 60D.25.

14.31 (d) The commissioner, in reviewing transactions pursuant to paragraph (b), shall consider
14.32 whether the transactions comply with the standards set forth in paragraph (a), and whether
14.33 they may adversely affect the interests of policyholders.

15.1 (e) The commissioner shall be notified within 30 days of any investment of the domestic
 15.2 insurer in any one corporation if the total investment in the corporation by the insurance
 15.3 holding company system exceeds ten percent of the corporation's voting securities.

15.4 (f) An affiliate that is party to an agreement or contract with a domestic insurer that is
 15.5 subject to paragraph (b), clause (4), is subject to the jurisdiction of any supervision, seizure,
 15.6 conservatorship, or receivership proceedings against the insurer and to the authority of a
 15.7 supervisor, conservator, rehabilitator, or liquidator for the insurer appointed pursuant to
 15.8 chapters 60B and 576 for the purpose of interpreting, enforcing, and overseeing the affiliate's
 15.9 obligations under the agreement or contract to perform services for the insurer that are: (1)
 15.10 an integral part of the insurer's operations, including but not limited to management,
 15.11 administrative, accounting, data processing, marketing, underwriting, claims handling,
 15.12 investment, or any other similar functions; or (2) essential to the insurer's ability to fulfill
 15.13 the insurer's obligations under insurance policies. The commissioner may require that an
 15.14 agreement or contract pursuant to paragraph (b), clause (4), to provide the services described
 15.15 in clauses (1) and (2) must specify that the affiliate consents to the jurisdiction as provided
 15.16 under this paragraph.

15.17 Sec. 17. Minnesota Statutes 2024, section 60D.217, is amended to read:

15.18 **60D.217 GROUPWIDE SUPERVISION OF INTERNATIONALLY ACTIVE**
 15.19 **INSURANCE GROUPS.**

15.20 (a) The commissioner is authorized to act as the groupwide supervisor for any
 15.21 internationally active insurance group in accordance with the provisions of this section.
 15.22 However, the commissioner may otherwise acknowledge another regulatory official as the
 15.23 groupwide supervisor where the internationally active insurance group:

15.24 (1) does not have substantial insurance operations in the United States;

15.25 (2) has substantial insurance operations in the United States, but not in this state; or

15.26 (3) has substantial insurance operations in the United States and this state, but the
 15.27 commissioner has determined pursuant to the factors set forth in ~~subsections~~ paragraphs (b)
 15.28 and (f) that the other regulatory official is the appropriate groupwide supervisor.

15.29 An insurance holding company system that does not otherwise qualify as an internationally
 15.30 active insurance group may request that the commissioner make a determination or
 15.31 acknowledgment as to a groupwide supervisor pursuant to this section.

15.32 (b) In cooperation with other state, federal, and international regulatory agencies, the
 15.33 commissioner ~~will~~ must identify a single groupwide supervisor for an internationally active

16.1 insurance group. The commissioner may determine that the commissioner is the appropriate
16.2 groupwide supervisor for an internationally active insurance group that conducts substantial
16.3 insurance operations concentrated in this state. However, the commissioner may acknowledge
16.4 that a regulatory official from another jurisdiction is the appropriate groupwide supervisor
16.5 for the internationally active insurance group. The commissioner shall consider the following
16.6 factors when making a determination or acknowledgment under this ~~subsection~~ paragraph:

16.7 (1) the place of domicile of the insurers within the internationally active insurance group
16.8 that hold the largest share of the group's written premiums, assets, or liabilities;

16.9 (2) the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance
16.10 holding company system of the internationally active insurance group;

16.11 (3) the location of the executive offices or largest operational offices of the internationally
16.12 active insurance group;

16.13 (4) whether another regulatory official is acting or is seeking to act as the groupwide
16.14 supervisor under a regulatory system that the commissioner determines to be:

16.15 (i) substantially similar to the system of regulation provided under the laws of this state;
16.16 or

16.17 (ii) otherwise sufficient in terms of providing for groupwide supervision, enterprise risk
16.18 analysis, and cooperation with other regulatory officials; and

16.19 (5) whether another regulatory official acting or seeking to act as the groupwide
16.20 supervisor provides the commissioner with reasonably reciprocal recognition and cooperation.

16.21 However, a commissioner identified under this section as the groupwide supervisor may
16.22 determine that it is appropriate to acknowledge another supervisor to serve as the groupwide
16.23 supervisor. The acknowledgment of the groupwide supervisor shall be made after
16.24 consideration of the factors listed in clauses (1) to (5), and shall be made in cooperation
16.25 with and subject to the acknowledgment of other regulatory officials involved with
16.26 supervision of members of the internationally active insurance group, and in consultation
16.27 with the internationally active insurance group.

16.28 (c) Notwithstanding any other provision of law, when another regulatory official is acting
16.29 as the groupwide supervisor of an internationally active insurance group, the commissioner
16.30 shall acknowledge that regulatory official as the groupwide supervisor. However, in the
16.31 event of a material change in the internationally active insurance group that results in:

16.32 (1) the internationally active insurance group's insurers domiciled in this state holding
16.33 the largest share of the group's premiums, assets, or liabilities; or

17.1 (2) this state being the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers
17.2 in the insurance holding company system of the internationally active insurance group,
17.3 the commissioner shall make a determination or acknowledgment as to the appropriate
17.4 groupwide supervisor for such an internationally active insurance group pursuant to
17.5 ~~subsection~~ paragraph (b).

17.6 (d) Pursuant to section 60D.21, the commissioner is authorized to collect from any
17.7 insurer registered pursuant to section 60D.19 all information necessary to determine whether
17.8 the commissioner may act as the groupwide supervisor of an internationally active insurance
17.9 group or if the commissioner may acknowledge another regulatory official to act as the
17.10 groupwide supervisor. Prior to issuing a determination that an internationally active insurance
17.11 group is subject to groupwide supervision by the commissioner, the commissioner shall
17.12 notify the insurer registered pursuant to section 60D.19 and the ultimate controlling person
17.13 within the internationally active insurance group. The internationally active insurance group
17.14 shall have not less than 30 days to provide the commissioner with additional information
17.15 pertinent to the pending determination. The commissioner shall publish in the State Register
17.16 and on the department's website the identity of internationally active insurance groups that
17.17 the commissioner has determined are subject to groupwide supervision by the commissioner.

17.18 (e) If the commissioner is the groupwide supervisor for an internationally active insurance
17.19 group, the commissioner is authorized to engage in any of the following groupwide
17.20 supervision activities:

17.21 (1) assess the enterprise risks within the internationally active insurance group to ensure
17.22 that:

17.23 (i) the material financial condition and liquidity risks to the members of the internationally
17.24 active insurance group that are engaged in the business of insurance are identified by
17.25 management; and

17.26 (ii) reasonable and effective mitigation measures are in place; or

17.27 (2) request, from any member of an internationally active insurance group subject to the
17.28 commissioner's supervision, information necessary and appropriate to assess enterprise risk,
17.29 including but not limited to information about the members of the internationally active
17.30 insurance group regarding:

17.31 (i) governance, risk assessment, and management;

17.32 (ii) capital adequacy; and

17.33 (iii) material intercompany transactions;

18.1 (3) coordinate and, through the authority of the regulatory officials of the jurisdictions
18.2 where members of the internationally active insurance group are domiciled, compel
18.3 development and implementation of reasonable measures designed to ensure that the
18.4 internationally active insurance group is able to timely recognize and mitigate enterprise
18.5 risks to members of ~~such~~ the internationally active insurance group that are engaged in the
18.6 business of insurance;

18.7 (4) communicate with other state, federal and international regulatory agencies for
18.8 members within the internationally active insurance group and share relevant information
18.9 subject to the confidentiality provisions of section 60D.22, through supervisory colleges as
18.10 set forth in section 60D.215 or otherwise;

18.11 (5) enter into agreements with or obtain documentation from any insurer registered under
18.12 section 60D.19, any member of the internationally active insurance group, and any other
18.13 state, federal, and international regulatory agencies for members of the internationally active
18.14 insurance group, providing the basis for or otherwise clarifying the commissioner's role as
18.15 groupwide supervisor, including provisions for resolving disputes with other regulatory
18.16 officials. ~~Such~~ Agreements or documentation under this clause shall not serve as evidence
18.17 in any proceeding that any insurer or person within an insurance holding company system
18.18 not domiciled or incorporated in this state is doing business in this state or is otherwise
18.19 subject to jurisdiction in this state; and

18.20 (6) other groupwide supervision activities, consistent with the authorities and purposes
18.21 enumerated above, as considered necessary by the commissioner.

18.22 (f) If the commissioner acknowledges that another regulatory official from a jurisdiction
18.23 that is not accredited by the NAIC is the groupwide supervisor, the commissioner is
18.24 authorized to reasonably cooperate, through supervisory colleges or otherwise, with
18.25 groupwide supervision undertaken by the groupwide supervisor, provided that:

18.26 (1) the commissioner's cooperation is in compliance with the laws of this state; and

18.27 (2) the regulatory official acknowledged as the groupwide supervisor also recognizes
18.28 and cooperates with the commissioner's activities as a groupwide supervisor for other
18.29 internationally active insurance groups where applicable. Where ~~such~~ recognition and
18.30 cooperation by the groupwide supervisor is not reasonably reciprocal, the commissioner is
18.31 authorized to refuse recognition and cooperation.

18.32 (g) The commissioner is authorized to enter into agreements with or obtain documentation
18.33 from any insurer registered under section 60D.19, any affiliate of the insurer, and other
18.34 state, federal, and international regulatory agencies for members of the internationally active

19.1 insurance group, that provide the basis for or otherwise clarify a regulatory official's role
19.2 as groupwide supervisor.

19.3 (h) A registered insurer subject to this section shall be liable for and shall pay the
19.4 reasonable expenses of the commissioner's participation in the administration of this section,
19.5 including the engagement of attorneys, actuaries, and any other professionals and all
19.6 reasonable travel expenses.

19.7 Sec. 18. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

19.8 Subdivision 1. **Classification protection and use of information by commissioner.** (a)
19.9 Documents, materials, or other information in the possession or control of the department
19.10 that are obtained by or disclosed to the commissioner or any other person in the course of
19.11 an examination or investigation made pursuant to section 60D.21 and all information reported
19.12 pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph
19.13 (e); ~~60D.18; 60D.19; and 60D.20;~~ and 60D.217, are classified as confidential or protected
19.14 nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible
19.15 in evidence in a private civil action. However, the commissioner may use the documents,
19.16 materials, or other information in the furtherance of any regulatory or legal action brought
19.17 as a part of the commissioner's official duties. The commissioner shall not otherwise make
19.18 the documents, materials, or other information public without the prior written consent of
19.19 the insurer to which it pertains unless the commissioner, after giving the insurer and its
19.20 affiliates who would be affected by this action notice and opportunity to be heard, determines
19.21 that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the
19.22 publication of it, in which event the commissioner may publish all or any part in the manner
19.23 the commissioner deems appropriate.

19.24 (b) For purposes of the information reported and provided to the department pursuant
19.25 to section 60D.19, subdivision 11b, the commissioner must maintain the confidentiality of
19.26 the group capital calculation and group capital ratio produced within the calculation and
19.27 any group capital information received from an insurance holding company supervised by
19.28 the Federal Reserve Board or any United States groupwide supervisor.

19.29 (c) For purposes of the information reported and provided to the department pursuant
19.30 to section 60D.19, subdivision 11c, the commissioner must maintain the confidentiality of
19.31 the liquidity stress test results and supporting disclosures and any liquidity stress test
19.32 information received from an insurance holding company supervised by the Federal Reserve
19.33 Board and non-United States groupwide supervisors.

20.1 Sec. 19. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

20.2 Subd. 3. **Sharing of information.** In order to assist in the performance of the
20.3 commissioner's duties, the commissioner:

20.4 (1) may share documents, materials, or other information, including the confidential,
20.5 protected nonpublic, and privileged documents, materials, or information subject to this
20.6 section, including proprietary and trade secret documents and materials, with: (i) other state,
20.7 federal, and international regulatory agencies, ~~with~~; (ii) the NAIC ~~and its affiliates and~~
20.8 ~~subsidiaries~~; (iii) any third-party consultants designated by the commissioner; and ~~with~~
20.9 (iv) state, federal, and international law enforcement authorities, including members of any
20.10 supervisory college described in section 60D.215, provided that the recipient agrees in
20.11 writing to maintain the confidentiality and privileged status of the document, material, or
20.12 other information, and has verified in writing the legal authority to maintain confidentiality;

20.13 (2) notwithstanding clause (1), may only share confidential, protected nonpublic, and
20.14 privileged documents, materials, or information reported pursuant to section 60D.19,
20.15 subdivision 11a, with commissioners of states having statutes or regulations substantially
20.16 similar to subdivision 1 and who have agreed in writing not to disclose this information;

20.17 (3) may receive documents, materials, or information, including otherwise confidential
20.18 and privileged documents, materials, or information from the NAIC ~~and its~~ the NAIC's
20.19 affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign
20.20 or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or
20.21 privileged any document, material, or information received with notice or the understanding
20.22 that it is confidential or privileged under the laws of the jurisdiction that is the source of the
20.23 document, material, or information; and

20.24 (4) shall enter into written agreements with the NAIC and a third-party consultant
20.25 designated by the commissioner governing sharing and use of information provided pursuant
20.26 to sections 60D.15 to 60D.29 consistent with this clause that shall:

20.27 (i) specify procedures and protocols regarding the confidentiality and security of
20.28 information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant
20.29 designated by the commissioner pursuant to sections 60D.15 to 60D.29, including procedures
20.30 and protocols for sharing by the NAIC with other state, federal, or international regulators.
20.31 The agreement must provide that the recipient agrees in writing to maintain the confidentiality
20.32 and privileged status of the documents, materials, or other information, and has verified in
20.33 writing the legal authority to maintain confidentiality;

21.1 (ii) specify that ownership of information shared with the NAIC ~~and its affiliates and~~
 21.2 ~~subsidiaries~~ or a third-party consultant pursuant to sections 60D.15 to 60D.29 remains with
 21.3 the commissioner and the NAIC's or a third-party consultant's, as designated by the
 21.4 commissioner, use of the information is subject to the direction of the commissioner;

21.5 (iii) excluding documents, material, or information reported pursuant to section 60D.19,
 21.6 subdivision 11c, prohibit the NAIC or a third-party consultant designated by the
 21.7 commissioner from storing the information shared pursuant to sections 60D.15 to 60D.29
 21.8 in a permanent database after the underlying analysis is completed;

21.9 ~~(iii)~~ (iv) require prompt notice to be given to an insurer whose confidential or protected
 21.10 nonpublic information in the possession of the NAIC or a third-party consultant designated
 21.11 by the commissioner pursuant to sections 60D.15 to 60D.29 is subject to a request or
 21.12 subpoena to the NAIC or a third-party consultant designated by the commissioner for
 21.13 disclosure or production; ~~and~~

21.14 ~~(iv)~~ (v) require the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant
 21.15 designated by the commissioner to consent to intervention by an insurer in any judicial or
 21.16 administrative action in which the NAIC ~~and its affiliates and subsidiaries~~ or a third-party
 21.17 consultant designated by the commissioner may be required to disclose confidential or
 21.18 protected nonpublic information about the insurer shared with the NAIC ~~and its affiliates~~
 21.19 ~~and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to
 21.20 sections 60D.15 to 60D.29; and

21.21 (vi) for documents, material, or information reported pursuant to section 60D.19,
 21.22 subdivision 11c, in the case of an agreement involving a third-party consultant, provide for
 21.23 notification of the identity of the consultant to the applicable insurers.

21.24 Sec. 20. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

21.25 Subd. 6. **Classification protection and use by others.** Documents, materials, or other
 21.26 information in the possession or control of the NAIC or a third-party consultant designated
 21.27 by the commissioner pursuant to sections 60D.15 to 60D.29 are confidential, protected
 21.28 nonpublic, or privileged, are not subject to subpoena, and are not subject to discovery or
 21.29 admissible in evidence in a private civil action.

22.1 Sec. 21. Minnesota Statutes 2024, section 60D.22, is amended by adding a subdivision to
22.2 read:

22.3 Subd. 7. **Certain disclosures or publication prohibited.** (a) The group capital calculation
22.4 and resulting group capital ratio required under section 60D.19, subdivision 11b, and the
22.5 liquidity stress test along with the liquidity stress test's results and supporting disclosures
22.6 required under section 60D.19, subdivision 11c, are regulatory tools to assess group risks
22.7 and capital adequacy and group liquidity risks, respectively, and are not intended as a means
22.8 to rank insurers or insurance holding company systems generally.

22.9 (b) Except as otherwise required under sections 60D.09 to 60D.29, making, publishing,
22.10 disseminating, circulating, or placing before the public, or causing directly or indirectly to
22.11 be made, published, disseminated, circulated, or placed before the public in a newspaper,
22.12 magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster,
22.13 or over any radio, television station, or any electronic means of communication available
22.14 to the public, or in any other way as an advertisement, announcement, or statement containing
22.15 a representation or statement with regard to the group capital calculation, group capital ratio,
22.16 the liquidity stress test results, or supporting disclosures for the liquidity stress test of any
22.17 insurer or any insurer group, or of any component derived in the calculation by any insurer,
22.18 broker, or other person engaged in any manner in the insurance business is misleading and
22.19 is prohibited.

22.20 (c) Notwithstanding paragraph (b), an insurer may publish an announcement in a written
22.21 publication if any materially false statement with respect to the group capital calculation,
22.22 resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or
22.23 insurance group's group capital calculation or resulting group capital ratio, liquidity stress
22.24 test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison
22.25 of any amount to an insurer's or insurance group's liquidity stress test result or supporting
22.26 disclosures is published in any written publication and the insurer is able to demonstrate to
22.27 the commissioner with substantial proof the statement's falsity or inappropriateness. The
22.28 sole purpose of an announcement under this paragraph must be to rebut the materially false
22.29 statement.

22.30 Sec. 22. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

22.31 **Subd. 2. Voting of securities; when prohibited.** No security that is the subject of any
22.32 agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in
22.33 contravention of the provisions of this chapter or of any rule or order issued by the
22.34 commissioner may be voted at any shareholder's meeting, or may be counted for quorum

23.1 purposes, and any action of shareholders requiring the affirmative vote of a percentage of
 23.2 shares may be taken as though the securities were not issued and outstanding. No action
 23.3 taken at the meeting shall be invalidated by the voting of the securities, unless the action
 23.4 would materially affect control of the insurer or unless the courts of this state have so
 23.5 ordered. If an insurer or the commissioner has reason to believe that any security of the
 23.6 insurer has been or is about to be acquired in contravention of the provisions of this chapter
 23.7 or of any rule or order issued by the commissioner, the insurer or the commissioner may
 23.8 apply to the district court for the county in which the insurer has its principal place of
 23.9 business to enjoin any offer, request, invitation, agreement, or acquisition made in
 23.10 contravention of section ~~60D.16~~ 60D.17 or any rule or order issued by the commissioner
 23.11 to enjoin the voting of any security so acquired, to void any vote of the security already cast
 23.12 at any meeting of shareholders and for other equitable relief as the nature of the case and
 23.13 the interest of the insurer's policyholders or the public requires.

23.14 Sec. 23. Minnesota Statutes 2024, section 60D.25, is amended to read:

23.15 **60D.25 RECEIVERSHIP.**

23.16 Whenever it appears to the commissioner that any person has committed a violation of
 23.17 this chapter that so impairs the financial condition of a domestic insurer as to threaten
 23.18 insolvency or make the further transaction of business by it hazardous to its policyholders,
 23.19 creditors, shareholders, or the public, ~~then~~ the commissioner may proceed as provided in
 23.20 chapter 60B to take possessions of the property of the domestic insurer and to conduct the
 23.21 business of ~~that~~ the domestic insurer."

23.22 Renumber the sections in sequence

23.23 Amend the title accordingly