



Market Conduct Examination Legislative Report

Minn. Stat. § 60A.033, subd. 12

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REPORT PREPARED BY

Minnesota Department of Commerce
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As requested by Minnesota Statutes, section 3.197: This report cost approximately \$1,046.25 to prepare, including staff time, printing, and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille, or audio recording. Printed on recycled paper.

Minnesota Department of Commerce

Mission

For more than 150 years, the Minnesota Department of Commerce and its predecessor agencies have served Minnesotans. Our mission is to protect and assist consumers; to ensure a strong, competitive, and fair marketplace; and to engage people and communities across the state.

Our Strategic Priorities

- Protect the public interest through consumer protection, consumer education, assistance to consumers, safety, health, and financial security, and lowering inequities.
- Serve as a trusted public resource for consumers and businesses by listening and learning from the Minnesotans Commerce serves, being effective stewards of public resources, advocating for Minnesota consumers and developing a policy, programmatic, and regulatory environment that meets their needs.
- Reduce economic barriers within Commerce regulatory oversight and reduce disparities within those of all races, ethnicities, religions, economic statuses, gender identities, sexual orientations, (dis)abilities, and zip codes.
- Ensure all, especially historically disadvantaged Minnesotans, are resilient to Minnesota's climate and engaged in advancing efforts to mitigate climate change.
- Ensure a strong, competitive, and fair marketplace for Minnesotans.

Overview

Market conduct examinations are a tool in ensuring a strong, fair, and competitive marketplace. Minnesota is home to the tenth (10th) largest insurance market in the United States with approximately 1,550 licensed insurance companies writing nearly \$50 billion in premiums.

Market conduct examinations perform an important function in the regulation of this industry and are conducted to ensure equitable treatment of policyholders, fair competition for marketplace, and compliance with applicable statutes and regulations. These examinations take a focused look at insurance company operations and can include, but are not limited to, the following: an insurance company's operations/management, complaint handling, marketing and sales, advertising materials, licensing, policyholder service, underwriting and rating, nonforfeitures, policy rate and form filings, claim handling and other state-specific requirements.

Pursuant to Minnesota Statutes, section 60A.033, subdivision 12, the Minnesota Department of Commerce submits its annual market conduct report to the legislature, including: (1) a listing of the number of pending market conduct examinations and the year each examination was commenced; (2) the number of examinations closed during the prior year and the total costs charged for each examination; (3) whether the examination is being conducted, in whole or in part, by third-party examiners; and (4) other information that the chairs or ranking minority members may reasonably request, subject to the limitations of Minnesota Statutes, section 60A.031, subdivision 4, paragraph (f).

Pending Market Conduct Examinations

Status	Exam No. (Start Date)	Total
Pending/Active	<ul style="list-style-type: none">• 4482U (2022)• 4482P (2022)• 3835 (2019)• 3026 (2018)	4
Inactive/Referred ¹	<ul style="list-style-type: none">• 3834 (2019)	1
Inactive/Suspended	<ul style="list-style-type: none">• 3491 (2018)	1
Pending/Monitoring ²	<ul style="list-style-type: none">• 3955 (2019)• 4296 (2021)• 4295 (2021)	3
	Total Pending Examinations	9

¹ Exam activity complete; case referred to the Attorney General's Office.

² Exam activity complete; in monitoring phase per Corrective Action Plans.

Closed Market Conduct Examinations

Closed Exam	Total Charges
Exam No. 3028	\$86,463.20
Exam No. 3744	\$380,558.52
Exam No. 3193	\$1,797,443.18
Exam No. 4294	\$407,192.50
Exam No. 3833	\$127,049.07
Total	\$2,798,706.47

Third-Party Examiners

The nine (9) examinations pending as of December 31, 2023, have all been conducted, in part, by third-party examiners.