

**SURPLUS LINES ASSOCIATION OF MINNESOTA**

**FIRST AMENDED AND RESTATED  
PLAN OF OPERATION**

**ARTICLE I  
PLAN OF OPERATION**

**A. Plan of Operation.**

1. The plan of operation shall provide for the formation, operation, and governance of the Association. The plan of operation must provide for the election of a board of directors by the members of the Association. The board of directors shall elect officers as provided for in the plan of operation. The plan of operation shall establish the manner of voting and may weigh each member's vote to reflect the annual surplus lines insurance premium written by the member. Members employed by the same or affiliated employers may consolidate their premiums written and delegate an individual officer or partner to represent the member in the exercise of Association affairs, including service on the board of directors.

2. The plan of operation and any amendments to the plan of operation shall be submitted to the commissioner and shall be effective upon approval in writing by the commissioner. The Association and all members shall comply with the plan of operation or any amendments to it. Failure to comply with the plan of operation or any amendments shall constitute a violation for which the commissioner of commerce may issue an order requiring discontinuance of the violation.

3. If the interim board of directors fails to submit a suitable plan of operation within sixty (60) days following the creation of the interim board, or if at any time thereafter the Association fails to submit required amendments to the plan, the commissioner may submit to the Association a plan of operation or amendments to the plan, which the Association must follow. The plan of operation or amendments submitted by the commissioner shall continue in force until amended by the commissioner or superseded by a plan of operation or amendment submitted by the Association and approved by the commissioner. A plan of operation or an amendment submitted by the commissioner constitutes an order of the commissioner.

MINN. LAW 2008, Chp. 366, Art. 17, Sec. 2, sub 3.

**B. Scope of Operation.** The Association shall perform its functions under the plan of operation established under Article I, the Articles and Bylaws adopted pursuant to Article VIII and applicable law. The Association shall be authorized and have the duty to:

1. Receive, record, and stamp all surplus lines insurance documents that surplus lines licensees are required to file with the Association;
2. Prepare and deliver monthly to the commissioners of revenue and commerce a report regarding surplus lines business. The report must include a list of all the business procured during the preceding month, in the form the commissioners prescribe;
3. Educate its members regarding the surplus lines law of this state including insurance tax responsibilities and the rules and regulations of the commissioners of revenue and commerce relative to surplus lines insurance;
4. Communicate with organizations of agents, brokers, and admitted insurers with respect to the proper use of the surplus lines market;
5. Employ and retain persons necessary to carry out the duties of the Association;
6. Borrow money necessary to affect the purposes of the Association;
7. Enter contracts necessary to affect the purposes of the Association;
8. Provide other services to its members that are incidental or related to the purposes of the Association; and
9. Take other actions reasonably required to implement the provisions of this section.

MINN. LAW 2008, Chp. 366, Art. 17, Sec. 2, Subd. 1.

## ARTICLE II MEMBER OBLIGATIONS

**A. Member Obligations.** A surplus lines licensee shall submit every insurance policy or contract issued under the licensee's license to the Surplus Lines Association of Minnesota for recording and stamping. The submission and stamping must be effected through electronic means. The submission must include:

1. The name of the insured;
2. A description and location of the insured property or risk;
3. The amount insured;
4. The gross premiums charged or returned;
5. The name of the surplus lines insurer from whom coverage has been procured;

