A bill for an act

relating to insurance; permitting consumers the option of waiving auto insurance no-fault medical coverage that duplicates other medical coverage; specifying effects on coordination of benefits; amending Minnesota Statutes 2008, sections 65B.44, by adding a subdivision; 65B.51, subdivision 2; 65B.61, by adding a subdivision.

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

Section 1. Minnesota Statutes 2008, section 65B.44, is amended by adding a subdivision to read:

Subd. 2a. **Medical expense benefits waiver; persons with other health coverage.** (a) A plan of reparation security must provide medical expense benefits under subdivision 2 that cover the insured, unless the named insured elects under this subdivision to waive that coverage, due to other similar coverage the insured has under a health coverage plan. The named insured's waiver may apply to one or more named insureds and may include a named insured's spouse who resides in the same household. A named insured may not waive coverage otherwise required under this chapter that can result in provision of medical expense benefits on the insured's policy to other insureds or to other persons, such as passengers, pedestrians, or employees, who may be eligible for medical expense benefits under section 65B.47.

(b) Each insured to whom the waiver applies must submit to the reparation obligor a disclosure and waiver form signed by the insured. The disclosure and waiver form must explain the effects of waiving coverage and must require the insured to identify the similar coverage used as the basis for the waiver, by naming the insurer, the self-insurance plan provided by an employer, or the government health coverage program. The form must be submitted to and approved by the commissioner prior to its use.

(c) A reparation obligor shall provide an appropriate premium reduction to a named insured who waives coverage under this subdivision. The reparation obligor shall disclose to the named insured the amount of the premium reduction.

(d) This subdivision does not apply to plans of reparation security that are self-insured.

(e) For purposes of this subdivision, "other similar coverage the insured has under a health plan" means coverage for bodily harm resulting from the maintenance or use of a motor vehicle provided by:

(1) a health plan as defined in section 62A.011, subdivision 3;

(2) self-funded employee coverage provided by a federal, state, or local government, or by a private-sector employer; or

(3) Medicare, MinnesotaCare, Medical Assistance, or General Assistance Medical Care.

The health coverage plan must not have an annual deductible in excess of $5,000 per individual.

EFFECTIVE DATE. This section is effective January 1, 2010, and applies to plans of reparation security issued or renewed on or after that date.

Sec. 2. Minnesota Statutes 2008, section 65B.51, subdivision 2, is amended to read:

Subd. 2. **Right to recover economic loss not covered in first party benefits.** (a) A person may bring a negligence action for economic loss not paid or payable by a reparation obligor or through the assigned claims plan because of any lack of insurance coverage for the economic loss described in section 65B.44, daily or weekly dollar limitations of section 65B.44, the seven-day services exclusion of section 65B.44, the limitations of benefits contained in section 65B.44, subdivision 1, or an exclusion from coverage by sections 65B.58 to 65B.60.

(b) This subdivision does not apply to medical expense benefits not paid or payable to a person by a reparation obligor or through the assigned claims plan because the person or the person's named insured waived coverage of medical expense benefits for the person under section 65B.44, subdivision 2a.

EFFECTIVE DATE. This section is effective January 1, 2010, and applies to plans of reparation security issued or renewed on or after that date.

Sec. 3. Minnesota Statutes 2008, section 65B.61, is amended by adding a subdivision to read:

Subd. 5. **Coordination not permitted; waiver of medical expense benefits.** A provider of health coverage specified in section 65B.44, subdivision 2a, paragraph (e), to a person who elected to waive coverage of medical expense benefits under section 65B.44, subdivision 2a, may not coordinate benefits payable under the health coverage with medical expense benefits the person waived under that provision. A provider of health coverage shall not require an insured or prospective insured to decline to waive medical expense benefits and shall not refuse to issue or renew coverage, charge a higher premium, or reduce the person's health coverage as a result of the waiver.

EFFECTIVE DATE. This section is effective January 1, 2010, and applies to plans of reparation security issued or renewed on or after that date.