

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 2639

(SENATE AUTHORS: FATEH and Boldon)

DATE	D-PG	OFFICIAL STATUS
03/17/2025	863	Introduction and first reading
		Referred to Commerce and Consumer Protection
04/10/2025	1787	Author added Boldon

1.1 A bill for an act

1.2 relating to commerce; raising liability and uninsured and underinsured motorist

1.3 coverage amounts; requiring motorcycle insurance to include uninsured and

1.4 underinsured coverage; establishing the traumatic brain injury recovery account

1.5 and program; establishing arbitration timelines; requiring a surcharge on automobile

1.6 insurance for the traumatic brain injury recovery account and program; requiring

1.7 a report; amending Minnesota Statutes 2024, sections 65B.133, by adding a

1.8 subdivision; 65B.43, by adding a subdivision; 65B.44, subdivision 1; 65B.48,

1.9 subdivision 5; 65B.49, subdivisions 3, 3a; proposing coding for new law in

1.10 Minnesota Statutes, chapters 65B; 297I.

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

1.12 Section 1. Minnesota Statutes 2024, section 65B.133, is amended by adding a subdivision

1.13 to read:

1.14 Subd. 8. **Traumatic brain injury recovery program surcharge; notice.** An insurer

1.15 must notify an insured of the surcharge collected under section 297I.12 and all application

1.16 procedures and program information related to the traumatic brain injury program under

1.17 section 65B.85. The notice must include information that describes how an injured person

1.18 may access the expedited application for a certified life care planner under section 65B.85,

1.19 subdivision 7.

1.20 Sec. 2. Minnesota Statutes 2024, section 65B.43, is amended by adding a subdivision to

1.21 read:

1.22 Subd. 21. **Traumatic brain injury.** "Traumatic brain injury" has the meaning given in

1.23 section 144.661, subdivision 2.

2.1 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to policies
2.2 of motor vehicle and motorcycle coverage offered, issued, or renewed on or after that date.

2.3 Sec. 3. Minnesota Statutes 2024, section 65B.44, subdivision 1, is amended to read:

2.4 Subdivision 1. **Inclusions.** (a) Basic economic loss benefits shall provide reimbursement
2.5 for all loss suffered through injury arising out of the maintenance or use of a motor vehicle,
2.6 subject to any applicable deductibles, exclusions, disqualifications, and other conditions,
2.7 and shall provide a minimum of \$40,000 for loss arising out of the injury of any one person,
2.8 consisting of:

2.9 (1) \$20,000 for medical expense loss arising out of injury to any one person; and

2.10 (2) a total of \$20,000 for income loss, replacement services loss, funeral expense loss,
2.11 survivor's economic loss, and survivor's replacement services loss arising out of the injury
2.12 to any one person.

2.13 (b) Basic economic loss benefits must provide reimbursement for all loss suffered through
2.14 a traumatic brain injury arising out of the maintenance or use of a motor vehicle, subject to
2.15 applicable deductibles, exclusions, disqualifications, and other conditions, and must provide
2.16 a minimum of \$80,000 for loss arising out of the traumatic brain injury to any one person,
2.17 consisting of:

2.18 (1) \$40,000 for medical expense loss arising out of the traumatic brain injury to any one
2.19 person; and

2.20 (2) a total of \$40,000 for income loss, replacement services loss, funeral expense loss,
2.21 survivor's economic loss, and survivor's replacement services loss arising out of the traumatic
2.22 brain injury to any one person.

2.23 ~~(b)~~ (c) Notwithstanding any other law to the contrary, a person entitled to basic economic
2.24 loss benefits under this chapter is entitled to the full medical expense benefits set forth in
2.25 subdivision 2, and may not receive medical expense benefits that are in any way less than
2.26 those provided for in subdivision 2, or that involve any preestablished limitations on the
2.27 benefits. Medical expenses must be reasonable and must be for necessary medical care as
2.28 provided in subdivision 2. This paragraph shall not be deemed to alter the obligations of an
2.29 insured or the rights of a reparation obligor as set forth in section 65B.56.

2.30 ~~(e)~~ (d) No reparation obligor or health plan company as defined in section 62Q.01,
2.31 subdivision 4, may enter into or renew any contract that provides, or has the effect of
2.32 providing, managed care services to no-fault claimants. For the purposes of this section,

3.1 "managed care services" is defined as any program of medical services that uses health care
 3.2 providers managed, owned, employed by, or under contract with a health plan company.

3.3 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to policies
 3.4 of motor vehicle and motorcycle coverage offered, issued, or renewed on or after that date.

3.5 Sec. 4. Minnesota Statutes 2024, section 65B.48, subdivision 5, is amended to read:

3.6 Subd. 5. **Motorcycle coverage.** (a) Every owner of a motorcycle registered or required
 3.7 to be registered in this state or operated in this state by the owner or with the owner's
 3.8 permission shall provide and maintain security for the payment of tort liabilities arising out
 3.9 of the maintenance or use of the motorcycle in this state. Security may be provided by a
 3.10 contract of liability insurance complying with section 65B.49, ~~subdivision~~ subdivisions 3
 3.11 and 3a, or by qualifying as a self insurer in the manner provided in ~~subdivision~~ subdivisions
 3.12 3 and 3a.

3.13 (b) At the time an application for motorcycle insurance without personal injury protection
 3.14 coverage is completed, there must be attached to the application a separate form containing
 3.15 a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten
 3.16 that states:

3.17 "Under Minnesota law, a policy of motorcycle coverage issued in the State of Minnesota
 3.18 must provide liability coverage only, and there is no requirement that the policy provide
 3.19 personal injury protection (PIP) coverage in the case of injury sustained by the insured.
 3.20 No PIP coverage provided by an automobile insurance policy you may have in force
 3.21 will extend to provide coverage in the event of a motorcycle accident."

3.22 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to policies
 3.23 of motor vehicle and motorcycle coverage offered, issued, or renewed on or after that date.

3.24 Sec. 5. Minnesota Statutes 2024, section 65B.49, subdivision 3, is amended to read:

3.25 Subd. 3. **Residual liability insurance.** (1) Each plan of reparation security shall also
 3.26 contain stated limits of liability, exclusive of interest and costs, with respect to each vehicle
 3.27 for which coverage is thereby granted, of not less than ~~\$30,000~~ \$60,000 because of bodily
 3.28 injury to one person in any one accident ~~and;~~ subject to said limit for one person, of not
 3.29 less than ~~\$60,000~~ \$120,000 because of injury to two or more persons in any one accident;
 3.30 ~~and;~~ if the accident has resulted in injury to or destruction of property, of not less than
 3.31 ~~\$10,000~~ \$20,000 because of such injury to or destruction of property of others in any one
 3.32 accident.

4.1 (2) Under residual liability insurance the reparation obligor shall be liable to pay, on
4.2 behalf of the insured, sums which the insured is legally obligated to pay as damages because
4.3 of bodily injury and property damage arising out of the ownership, maintenance or use of
4.4 any motor vehicle, including a motor vehicle permissively operated by an insured as that
4.5 term is defined in section 65B.43, subdivision 5, if the injury or damage occurs within this
4.6 state, the United States of America, its territories or possessions, or Canada. A reparation
4.7 obligor shall also be liable to pay sums which another reparation obligor is entitled to recover
4.8 under the indemnity provisions of section 65B.53, subdivision 1.

4.9 (3) Every plan of reparation security shall be subject to the following provisions which
4.10 need not be contained therein:

4.11 (a) The liability of the reparation obligor with respect to the residual liability coverage
4.12 required by this clause shall become absolute whenever injury or damage occurs; such
4.13 liability may not be canceled or annulled by any agreement between the reparation obligor
4.14 and the insured after the occurrence of the injury or damage; no statement made by the
4.15 insured or on the insured's behalf and no violation of said policy shall defeat or void said
4.16 policy.

4.17 (b) The satisfaction by the insured of a judgment for such injury or damage shall not be
4.18 a condition precedent to the right or duty of the reparation obligor to make payment on
4.19 account of such injury or damage.

4.20 (c) The reparation obligor shall have the right to settle any claim covered by the residual
4.21 liability insurance policy, and if such settlement is made in good faith, the amount thereof
4.22 shall be deductible from the limits of liability for the accident out of which such claim arose.

4.23 (d) Except as provided in subdivision 5a, a residual liability insurance policy shall be
4.24 excess of a nonowned vehicle policy whether the nonowned vehicle is borrowed or rented,
4.25 or used for business or pleasure. A nonowned vehicle is one not used or provided on a
4.26 regular basis.

4.27 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to policies
4.28 of motor vehicle and motorcycle coverage offered, issued, or renewed on or after that date.

4.29 Sec. 6. Minnesota Statutes 2024, section 65B.49, subdivision 3a, is amended to read:

4.30 Subd. 3a. **Uninsured and underinsured motorist coverages.** (1) No plan of reparation
4.31 security may be renewed, delivered or issued for delivery, or executed in this state with
4.32 respect to any motor vehicle registered or principally garaged in this state unless separate
4.33 uninsured and underinsured motorist coverages are provided therein. Each coverage, at a

5.1 minimum, must provide limits of ~~\$25,000~~ \$50,000 because of injury to or the death of one
5.2 person in any accident and ~~\$50,000~~ \$100,000 because of injury to or the death of two or
5.3 more persons in any accident. In the case of injury to, or the death of, two or more persons
5.4 in any accident, the amount available to any one person must not exceed the coverage limit
5.5 provided for injury to, or the death of, one person in any accident.

5.6 (2) Every owner of a motor vehicle or motorcycle registered or principally garaged in
5.7 this state shall maintain uninsured and underinsured motorist coverages as provided in this
5.8 subdivision.

5.9 (3) No reparation obligor is required to provide limits of uninsured and underinsured
5.10 motorist coverages in excess of the bodily injury liability limit provided by the applicable
5.11 plan of reparation security.

5.12 (4) No recovery shall be permitted under the uninsured and underinsured motorist
5.13 coverages of this section for basic economic loss benefits paid or payable, or which would
5.14 be payable but for any applicable deductible.

5.15 (5) If at the time of the accident the injured person is occupying a motor vehicle, the
5.16 limit of liability for uninsured and underinsured motorist coverages available to the injured
5.17 person is the limit specified for that motor vehicle. However, if the injured person is
5.18 occupying a motor vehicle of which the injured person is not an insured, the injured person
5.19 may be entitled to excess insurance protection afforded by a policy in which the injured
5.20 party is otherwise insured. The excess insurance protection is limited to the extent of covered
5.21 damages sustained, and further is available only to the extent by which the limit of liability
5.22 for like coverage applicable to any one motor vehicle listed on the automobile insurance
5.23 policy of which the injured person is an insured exceeds the limit of liability of the coverage
5.24 available to the injured person from the occupied motor vehicle.

5.25 If at the time of the accident the injured person is not occupying a motor vehicle or
5.26 motorcycle, the injured person is entitled to select any one limit of liability for any one
5.27 vehicle afforded by a policy under which the injured person is insured.

5.28 (6) Regardless of the number of policies involved, vehicles involved, persons covered,
5.29 claims made, vehicles or premiums shown on the policy, or premiums paid, in no event
5.30 shall the limit of liability for uninsured and underinsured motorist coverages for two or
5.31 more motor vehicles be added together to determine the limit of insurance coverage available
5.32 to an injured person for any one accident.

6.1 (7) The uninsured and underinsured motorist coverages required by this subdivision do
 6.2 not apply to bodily injury of the insured while occupying a motor vehicle or motorcycle
 6.3 owned by the insured, unless the occupied vehicle is an insured motor vehicle or motorcycle.

6.4 ~~(8) The uninsured and underinsured motorist coverages required by this subdivision do~~
 6.5 ~~not apply to bodily injury of the insured while occupying a motorcycle owned by the insured.~~

6.6 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to policies
 6.7 of motor vehicle and motorcycle coverage offered, issued, or renewed on or after that date.

6.8 Sec. 7. **[65B.536] ARBITRATION TIMELINES.**

6.9 The timeline and staffing for binding arbitration must occur in a manner to limit delay.
 6.10 The standing committee must be comprised of no less than 24 members. Within seven days
 6.11 after the date the itemization of benefits claimed and supporting documentation are received
 6.12 from the claimant, the respondent must serve a response to the petition setting forth the
 6.13 grounds upon which the claim is denied, accompanied by the documents supporting the
 6.14 denial of the benefits claimed.

6.15 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to policies
 6.16 of motor vehicle and motorcycle coverage offered, issued, or renewed on or after that date.

6.17 Sec. 8. **[65B.85] TRAUMATIC BRAIN INJURY RECOVERY ACCOUNT AND**
 6.18 **PROGRAM.**

6.19 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
 6.20 the meanings given.

6.21 (b) "Account" means the traumatic brain injury and spinal cord injury recovery account
 6.22 established under this section.

6.23 (c) "Account administrator" means a person appointed by the attorney general as an
 6.24 account administrator under this section.

6.25 (d) "Eligible beneficiary" means a person who suffered a traumatic brain injury in an
 6.26 automobile accident and qualifies for a monetary payment from the account.

6.27 (e) "Traumatic brain injury" has the meaning given in section 144.661, subdivision 2.

6.28 Subd. 2. **Creation of account.** The traumatic brain injury recovery account is established
 6.29 in the special revenue fund. Money in the account is annually appropriated to the
 6.30 commissioner of human services for the purposes under subdivision 3.

7.1 Subd. 3. **Permissible use of account.** Money in the account must be used only to
 7.2 distribute compensation to eligible beneficiaries under subdivision 4 and to pay for costs
 7.3 incurred to administer the account.

7.4 Subd. 4. **Distributions to eligible beneficiaries.** The commissioner must develop
 7.5 procedures to adequately and fairly disperse the funds from the account, including a common
 7.6 application, timelines, and appeals process.

7.7 Subd. 5. **Eligibility criteria.** The commissioner must develop criteria to determine and
 7.8 assess eligibility based on the eligibility requirements under section 256B.49. The
 7.9 commissioner may require applicants to use an application form and method determined
 7.10 by the commissioner.

7.11 Subd. 6. **Compensation amount.** The commissioner must develop criteria to determine
 7.12 the monthly, annual, and total amount of funding provided to each eligible beneficiary. The
 7.13 commissioner must consider whether and for how long the compensation amount defers or
 7.14 delays an applicant from enrolling in medical assistance.

7.15 Subd. 7. **Special uses.** The commissioner must develop an expedited application form
 7.16 and procedure for eligible applicants who are actively engaged in litigation or arbitration
 7.17 related to the automobile accident that caused the applicant's injuries. An additional award
 7.18 beyond compensation granted under subdivision 6 may be awarded to applicants who
 7.19 demonstrate the need to hire a certified life care planner for the litigation or arbitration.

7.20 Subd. 8. **Annual report.** The commissioner must submit an annual report that provides
 7.21 a financial overview of the account activities to the chairs and ranking minority members
 7.22 of the legislative committees with jurisdiction over the account.

7.23 Subd. 9. **No private right of action.** A person does not have a private right of action
 7.24 with respect to a payment from the account or the administration of the account.

7.25 Sec. 9. **[297I.12] TRAUMATIC BRAIN INJURY RECOVERY SURCHARGE.**

7.26 Subdivision 1. **Surcharge.** (a) An insurer engaged in the writing of policies of automobile
 7.27 insurance must collect a surcharge at the rate of ... cents per vehicle for every six months
 7.28 of coverage on each policy of automobile insurance that provides comprehensive insurance
 7.29 coverage issued or renewed in Minnesota. The surcharge must not be considered premium
 7.30 for any purpose, including the computation of premium tax or agents' commissions. The
 7.31 surcharge amount must be separately stated on either a billing or policy declaration sent to
 7.32 the insured. An insurer must remit the revenue derived from the surcharge under this section

8.1 to the commissioner of revenue for the traumatic brain injury recovery program under
8.2 section 65B.85.

8.3 (b) For purposes of this subdivision, "policy of automobile insurance" has the meaning
8.4 given in section 65B.14, covering only the following types of vehicles defined in section
8.5 168.002, if the vehicle has a gross vehicle weight that does not exceed 10,000 pounds:

8.6 (1) a passenger automobile;

8.7 (2) a pickup truck;

8.8 (3) a van, but not a commuter van as defined in section 168.126; or

8.9 (4) a motorcycle.

8.10 Subd. 2. **Traumatic brain injury recovery account.** A special revenue account in the
8.11 state treasury must be credited with the proceeds of the surcharge imposed under subdivision
8.12 1. Revenue may be used only for the traumatic brain injury recovery program under section
8.13 65B.85.

8.14 Subd. 3. **Collection and administration.** The commissioner must collect and administer
8.15 the surcharge imposed by this section in the same manner as the taxes imposed by this
8.16 chapter.