

2770.7700 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 2770.7500 to 2770.8500, the terms defined in this part have the meanings given them.

Subp. 2. **Chargeable accident.** "Chargeable accident" means an accident in which the insurer nonrenewing the policy makes a payment under bodily injury, property damage, or collision coverages, except under the following conditions:

A. In a collision loss, where the insurer recovers 80 percent or more of the insurers loss through subrogation.

B. The automobile was damaged through being struck while being lawfully parked. An automobile rolling from a parked position, or a door opened into traffic causing an accident, is not considered being lawfully parked.

C. The insured or other driver of the automobile has been paid by the other party, or has a judgment against the other party in the accident.

D. The accident was one in which the damage was caused by the vehicle being rear-ended by another vehicle, unless the driver of the struck vehicle has been convicted of a moving traffic violation in conjunction with the accident.

E. The driver of the other vehicle in the accident has been convicted of a moving violation in conjunction with the accident, and the driver of the insured vehicle has not been convicted of a moving violation in conjunction with the accident.

F. The insured automobile was damaged by contact with a "hit-and-run" vehicle, if this contact is reported to the police, highway patrol, or sheriff within 24 hours after discovery.

"Chargeable accident" also includes any accident for which payment is made under the comprehensive portion of the physical damage coverage of a policy under the following conditions:

(1) a vehicle falling through the ice of any body of water;

(2) a single vehicle accident in which the loss would normally be paid under collision coverage but glass breakage is paid under the comprehensive coverage of a policy that does not have collision coverage; or

(3) payments made under personal injury protection coverage to an insured driver who is involved in a single vehicle accident in which damage to property occurs.

Subp. 3. **Commercial vehicle.** "Commercial vehicle" is as defined in Minnesota Statutes, section 65B.43, subdivision 12.

Subp. 4. **Emergency vehicle.** "Emergency vehicle" means an automobile used in response to an emergency if the operator is responding to a call of duty as a paid or volunteer member of any police or fire department, first aid squad, or any law enforcement agency.

Subp. 5. **Experience period.** "Experience period" means three years from the date of a chargeable accident or incident referred to in part 2770.7800, subpart 2, to the renewal date of the policy and in the case of a moving traffic violation, three years from the date of occurrence to the renewal date of the policy.

Subp. 6. **Hit and run vehicle.** "Hit and run vehicle" means a vehicle that leaves the scene of an accident in violation of Minnesota Statutes, section 169.09, subdivisions 1, 2, 4, and 5, or the comparable provisions of the laws of another jurisdiction where the accident occurred.

Subp. 7. **Multiline contract.** "Multiline contract" means an insurance contract that insures more than one line of insurance under one contract, such as homeowners and automobile coverages within one contract.

Subp. 8. **Nonrenewal.** "Nonrenewal" includes any nonrenewal notice sent to a named insured informing the named insured that the insurer is terminating or intends to terminate a policy as of a certain date. In order to be valid, the notice must comply with all other applicable laws and rules, including Minnesota Statutes, section 65B.17, and part 2770.8100.

Nonrenewal also includes:

A. any reduction in the limits of liability of coverage, except a termination or modification of towing coverage;

B. an increase of a physical damage deductible unless all the existing policies and those policies to be accepted as new business by the insurer in this state will have the same higher deductibles applied; and

C. the transfer of a named insured from one rating plan to another within the same company, or the transfer of a named insured from one company to another within a group of insurance companies, if the transfer results in a higher premium. This does not apply to a surcharge on an existing policy.

Subp. 9. **Points.** "Points" means the grading system by which each chargeable accident and violation is assigned a certain number of points to determine if a policy is subject to nonrenewal.

Subp. 10. **Policy.** "Policy" means a policy of automobile insurance as defined in Minnesota Statutes, section 65B.14, subdivision 2. The term also includes motorcycles and commercially rated policies of less than five vehicles.

Subp. 11. Private passenger vehicle. "Private passenger vehicle" is as defined in Minnesota Statutes, section 65B.001, subdivision 3.

Subp. 12. Private passenger vehicle insurance. "Private passenger vehicle insurance" is as defined in Minnesota Statutes, section 65B.001, subdivision 2. The term includes commercially rated policies of less than five vehicles.

Subp. 13. Violations. "Violations" means all moving traffic violations that are recorded by the Department of Public Safety on a household member's motor vehicle record, and violations reported by a similar authority in another state, or reported by the insured, except for equipment violations, driving an unregistered vehicle, driving with an expired driver's license, or driving without a valid driver's license in possession.

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