

CHAPTER 65B

AUTOMOBILE INSURANCE

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65B.01 PURPOSES, CONSTRUCTION AND SCOPE. Subdivision 1. **Purpose.** The purposes of Laws 1971, Chapter 813 are to provide the guarantee that automobile insurance coverage will be available to any person who is unable to procure such insurance through ordinary methods by providing a facility for the placement of automobile insurance risks with insurers, and to preserve to the public the benefits of price competition by encouraging maximum use of the normal private insurance system. Laws 1971, Chapter 813 shall be liberally construed to effect the purposes stated.

Subd. 2. **Scope and membership.** Every insurer authorized to write and writing automobile bodily injury liability, property damage liability or physical damage insurance in this state, as a condition precedent to being licensed or to retain such license to write such insurance in this state, shall be a member of the facility and shall participate therein under the terms and provisions of Laws 1971, Chapter 813. Every such insurer shall be a member of such a facility on a date specified by the commissioner of insurance.

[1971 c 813 s 1]

65B.02 DEFINITIONS. Subdivision 1. Unless the language or context clearly indicates a different meaning is intended, the following terms shall, for the purposes of Laws 1971, Chapter 813, have the meanings ascribed to them.

Subd. 2. "Qualified applicant" means a person who:

- (1) Is a resident of this state,
- (2) Owns a motor vehicle registered in accordance with the laws of this state, or has a valid drivers' license, or is required to file proof of financial responsibility with the commissioner of public safety in accordance with the provisions of chapter 170, and
- (3) Has no unpaid premiums with respect to prior automobile insurance.

Subd. 3. "Facility" means the organization formed by insurers to carry out the purposes provided in section 65B.01, subdivision 1, and shall be known as the Minnesota automobile insurance plan.

Subd. 4. "Participating member" means an insurer who is required by Laws 1971, Chapter 813, to be a member of the facility and who in the second preceding calendar year, has written automobile insurance in this state.

Subd. 5. "Car years" means the number of insurance policies written on automobile or licensed drivers by a given insurer in any calendar year; and "voluntary car years" means the number of such policies written by a given insurer, exclusive of policies written through the facility.

Subd. 6. "Private passenger non-fleet automobile" means motorized vehicles designed for transporting passengers or goods, subject to specific contemporary definitions for insurance purposes as provided in the plan of operation.

Subd. 7. "Participation ratio" means the ratio of the participating member's Minnesota premiums, or other measure of business written approved by the com-

missioner, in relation to the comparable statewide totals for all participating members.

(1) For private passenger non-fleet automobile insurance coverages the participation ratio shall be based on voluntary car years written in this state for the calendar year ending December 31 of the second prior year, as reported by the statistical agent of each participating member as private passenger non-fleet exposures.

(2) For insurance coverages on all other automobiles, including insurance for fleets, commercial vehicles, public vehicles and garages, the ratio shall be based on the total Minnesota gross, direct automobile insurance premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, and less the amount of such premiums reported as received for insurance on private passenger non-fleet vehicles, for the calendar year ending December 31 of the second prior year.

(3) For the purpose of determining each participating member's responsibility for expenses and assessments, the ratio shall be based on each participating member's total Minnesota car years and gross, direct premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, for the calendar year ending December 31 of the second prior year.

Subd. 8. "Commissioner" means the commissioner of insurance or one properly acting in the capacity of the commissioner of insurance.

[1971 c 813 s 2]

65B.03 GOVERNING COMMITTEE. Subdivision 1. **Membership.** Within 15 days after July 1, 1971, the commissioner shall direct that a ballot be mailed, returnable within 15 days from the date of mailing, to every insurer subject to Laws 1971, Chapter 813, for the election of a five-member facility governing committee. Each member of the governing committee shall be a participating member and one member shall be elected from each of the following classifications of insurers:

- (1) Insurance services office;
- (2) Mutual insurance rating bureau;
- (3) National association of independent insurers;
- (4) All other stock companies;
- (5) All other non-stock companies.

Each participating member serving on the governing committee shall be represented by a salaried employee of that participating member, and not more than one participating member in a group under the same management shall serve on the governing committee at the same time. The commissioner of insurance or his designee shall be an ex officio member of the governing committee.

Subd. 2. **Terms of office.** The committee so elected shall become the initial governing committee of the facility, effective with the adoption of a plan of operation and its approval by the commissioner. Thereafter, the governing committee shall be elected to serve annual terms. Vacancies shall be filled as provided in the plan of operation.

[1971 c 813 s 3]

65B.04 PLAN OF OPERATION. Subdivision 1. **Adoption; approval by commissioner.** The initial governing committee shall adopt a plan of operation by majority vote of the committee and shall submit it to the commissioner for approval. If the commissioner finds that the plan of operation meets the requirements of Laws 1971, Chapter 813, he shall approve it and it will then be in effect. If he finds that the plan fails to meet the requirements of Laws 1971, Chapter 813, the commissioner shall disapprove the plan, returning it to the governing committee with his statement on the deficiencies which have caused him to disapprove the plan, and the governing committee shall have ten days within which to correct the deficiencies. If the plan is not returned for approval within ten days or if, on return, the commissioner determines that it does not meet the requirements of Laws 1971, Chapter 813, the commissioner shall amend the plan which was submitted by the governing committee to comply with Laws 1971, Chapter 813, and shall, by order, effect the plan of operation. The action of the commissioner may be reviewed on a writ of certiorari from the district court for Ramsey county.

Subd. 2. **Failure to submit plan.** If the governing committee fails to submit a plan of operation within 45 days after July 1, 1971, the commissioner shall prepare

a plan of operation in accordance with Laws 1971, Chapter 813, as to the procedural aspects of the operation of the facility, and as to coverages to be provided at a rate level which is deemed to be reasonable, adequate and fair. A plan of operation prepared pursuant to this subdivision shall become effective when the commissioner so orders.

Subd. 3. Amendments. The plan of operation may be amended by a majority vote of the governing committee, the approval of the commissioner and ratification by a majority of the participating members. An order by the commissioner disapproving an amendment to the plan of operation must be issued within 30 days of his receipt of the proposed amendment, certified by the governing committee as having been adopted by that committee by a majority vote, or the amendment shall be deemed approved by the commissioner. An order of disapproval may be reviewed as provided in subdivision 1.

Subd. 4. Adherence to plan. Every insurer authorized to write and writing automobile bodily injury liability, property damage liability or physical damage insurance in this state, as a condition to maintaining its authorization to transact the business of insurance in this state, shall adhere to the plan of operation.

[1971 c 813 s 4]

65B.05 POWER OF FACILITY, GOVERNING COMMITTEE. The governing committee shall have the power to direct the operation of the facility in all pursuits consistent with the purposes and terms of Laws 1971, Chapter 813, including but not limited to the following:

(1) To sue and be sued in the name of the facility and to assess each participating member in accord with its participation ratio to pay any judgment against the facility as an entity, provided, however, that no judgment against the facility shall create any liabilities in one or more participating members disproportionate to their participation ratio or an individual representing participating members on the governing committee.

(2) To delegate ministerial duties, to hire a manager and to contract for goods and services from others.

(3) To assess participating members on the basis of participation ratios to cover anticipated costs of operation and administration of the facility.

(4) To impose limitations on cancellation or non-renewal by participating members of insureds covered pursuant to placement through the facility in addition to the limitations imposed by chapter 72A and sections 65B.13 to 65B.27.

[1971 c 813 s 5]

65B.06 DISTRIBUTION OF RISKS; COVERAGE. Subdivision 1. With respect to private passenger, non-fleet automobiles, the facility shall provide for the equitable distribution of qualified applicants to participating members in accordance with the participation ratio.

Subd. 2. With respect to private passenger, non-fleet automobiles, the facility shall provide for the issuance of policies of automobile insurance by participating members with coverage as follows:

(1) The participating members must provide bodily injury liability and property damage liability coverage in the minimum amounts specified in chapter 170; and

(2) The participating members must provide uninsured motorists coverage as required by section 65B.22;

(3) The participating members must make available to all qualified applicants a reasonable selection of additional limits of liability coverage up to fifty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to such limit for one person, up to one hundred thousand dollars because of bodily injury to or death of two or more persons in any one accident, and up to ten thousand dollars because of injury to or destruction of property of others in any one accident, and corresponding higher limits of uninsured motorist coverage as required by section 65B.22; and

(4) The participating members must make available to all qualified applicants medical payments coverage with a reasonable selection of limits, in accordance with section 65B.26(c); and

(5) The participating members must make available to all qualified applicants automobile physical damage coverage, including coverage of loss by collision, subject to optional deductibles.

Provided that no coverage available under (5) of this subdivision (physical damage) shall be provided by a carrier that has been licensed to provide the coverage made available under (1), (2) and (3) of this subdivision, unless the qualified applicant has requested coverage pursuant to (1), (2) and (3) as well as physical damage coverage. If a qualified applicant requests only physical damage coverage, such coverage shall be provided by an insurer not licensed to provide the coverage specified in clauses (1), (2) and (3) of this subdivision.

Subd. 3. With respect to all automobiles not included in subdivisions 1 and 2, the facility shall provide:

(1) Only the insurance coverage required by law;

(2) For the equitable distribution of qualified applicants for this coverage among the participating members in accord with the applicable participation ratio.

Subd. 4. Coverage made available under this section shall be the standard automobile policy and endorsement forms, as approved by the commissioner, with such changes, additions and amendments as are adopted by the governing committee and approved by the commissioner.

[1971 c 813 s 6]

65B.07 OTHER PROVISIONS AND FUNCTIONS. Subdivision 1. The facility shall provide one or more optional deferred payment plans, which shall include sufficient advance payment to, at all times, equal at least the pro rata earned premium, and such plans shall include additional charges for deferred payments.

Subd. 2. On any coverage placed through the facility, the facility shall allow the use of endorsement, approved by the commissioner, to exclude coverage in cases where a named person is driving the insured vehicle without a valid drivers' license or when his drivers' license has been revoked or suspended.

Subd. 3. The facility shall provide for publicizing its purposes and developing public understanding of the facility.

Subd. 4. The facility shall provide annual financial statements on the facility's operation to all participating members and to the commissioner.

Subd. 5. The facility shall provide for the reinsurance of risks placed through the facility, including, if desired, a pool for reinsuring liability coverages with limits in excess of those required by statute, or such other underwriting arrangements as may be necessary to enable participating members to offer such excess limits of liability insurance.

[1971 c 813 s 7]

65B.08 RATES. Subdivision 1. **Filing.** As agent for participating members, the facility shall file with the commissioner all manuals of classification, all manuals of rules and rates, all rating plans, and any modifications of same, proposed for use for private passenger non-fleet automobile insurance placed through the facility. The classifications, rules and rates and any amendments thereto shall be subject to prior written approval by the commissioner. Rates, surcharge points, and increased limits factors filed by the facility shall not be excessive, inadequate, or unfairly discriminatory. No other entity, service or organization shall make filings for the facility or the participating members to apply to insurance placed through the facility.

Subd. 2. **Use of rates.** Every participating member shall be authorized to use the rates and rules approved by the commissioner for use by the facility on business placed through the facility, and shall use no other rates on private passenger non-fleet automobiles placed through the facility.

Subd. 3. **Facility exempt.** Laws relating to rating organizations or advisory organizations shall not apply to functions provided for under this section.

[1971 c 813 s 8]

65B.09 AGENTS. Subdivision 1. **Agents' responsibility.** Every agent who is authorized to solicit, negotiate or effect automobile insurance on behalf of any participating member shall:

(1) Offer to place coverage through the facility for any qualified applicant who is ineligible or unacceptable for coverage in the insurer or insurers for whom the agent is authorized to solicit, negotiate or effect automobile insurance. Provided, that the failure of an agent to make such an offer to a qualified applicant shall not subject the agent to any liability to the applicant;

(2) Forward to the facility all applications and any deposit premiums which

are required by the plan of operation, rules and procedures of the facility, if the qualified applicant accepts the offer to have his coverage placed through the facility;

(3) Be entitled to receive a commission for placing insurance through the facility at the uniform rates of commission as provided in the plan of operation, and all participating members shall be entitled to pay commissions to such agents.

Subd. 2. **Agents' contracts.** A participating member may not include the premiums and losses incurred from risks insured through the facility in determining the loss ratio of any of its agents, or otherwise use the experience from such risks as cause for altering the relationship between the participating member and its agent.

[1971 c 813 s 9]

65B.10 ELIGIBILITY. Subdivision 1. **Eligibility for coverage.** To be eligible for coverage through the facility an otherwise qualified applicant must have been rejected, cancelled or refused renewal with respect to automobile insurance by a participating member.

Subd. 2. **Termination of eligibility.** Eligibility for placement through the facility will terminate if an insured is offered equivalent coverage in the voluntary market at a rate lower than the facility rate. If the participating member that is required to provide coverage by the facility makes such an offer after giving 30 days' advance written notice to the agent of record before making the offer, the participating member shall have no further obligation to the agent of record.

Subd. 3. **Review of insureds.** At least annually, every participating member shall review every applicant which it insures through the facility and determine whether or not such applicant is acceptable for voluntary insurance at a rate lower than the facility rate. If such applicant is acceptable, the participating member shall make an offer to the applicant to insure him under voluntary coverage at such lower rate.

[1971 c 813 s 10]

65B.11 USE OF THE FACILITY BY THE PUBLIC. If, upon a formal hearing, the commissioner finds that a large proportion of qualified and eligible persons are failing to gain the benefits of the facility, the facility shall provide service to assist the public in making application to the facility for placement.

[1971 c 813 s 11]

65B.12 RIGHT TO HEARING; CONSTRUCTION OF PLAN OF OPERATION. Subdivision 1. Any participating member, applicant or person insured under a policy placed through the facility may request a formal hearing and ruling by the governing committee on any alleged violation of the plan of operation or any alleged improper act or ruling of the facility directly affecting its assessment, premium or coverage furnished, provided that such right to hearing shall not apply to any claim arising out of insurance provided by any participating member. Such request for hearing must be filed within 30 days after the date of the alleged act or decision.

Subd. 2. The plan of operation shall provide for prompt and fair hearings, and shall prescribe the procedure to be followed in such hearings.

Subd. 3. Any formal ruling by the governing committee may be appealed to the commissioner by filing notice of appeal with the facility and the commissioner within 30 days after issuance of the ruling. Such a hearing shall be governed by the procedures for contested cases.

Subd. 4. Upon a hearing pursuant to Laws 1971, Chapter 813, the commissioner shall issue an order approving or disapproving the action or decision of the governing committee or directing the governing committee to reconsider the ruling.

Subd. 5. The plan of operation shall be interpreted to conform to the laws of this state with respect to automobile insurance coverage and any changes therein, unless the facility is specifically excluded from the applicability of such laws.

[1971 c 813 s 12]

65B.13 AUTOMOBILE INSURANCE, DISCRIMINATION IN AUTOMOBILE POLICIES FORBIDDEN. No insurance company, or its agent, shall refuse to issue any standard policy of automobile liability insurance or make any discrimination in the acceptance of risks, in rates, premiums, dividends, or benefits of any kind, or by way of rebate between persons of the same class, nor on ac-

count of race. Every company or agent violating any of the foregoing provisions shall be fined not less than \$50, nor more than \$100, and every officer, agent, or solicitor violating the same shall be guilty of a misdemeanor.

[1967 c 395 art 12 s 14]

65B.14 CANCELLATION OR NON-RENEWAL OF AUTOMOBILE POLICIES; DEFINITIONS. Subdivision 1. "Policy of automobile liability insurance" means a policy delivered or issued for delivery in this state, insuring a natural person as named insured, and any relative or relatives of the named insured who is a resident of the same household covering automobiles owned by the insured of (a) the private passenger type, including a private passenger, station wagon or jeep type automobile not used as a public or livery conveyance for passengers, nor rented to others, or (b) the utility automobile type which shall mean any other four-wheel vehicle whether having a pick-up, sedan delivery, or panel truck type body not used primarily in the occupation, profession or business of the insured other than farming or ranching; provided, however, that sections 65B.14 to 65B.21 shall not apply to any policy of automobile liability insurance: (1) issued under the Minnesota automobile insurance plan; (2) insuring more than four automobiles; or (3) covering garage, automobiles sales agency, repair shop, service station or public parking place operation hazards; and, provided further, that sections 65B.14 to 65B.21 shall apply only to that portion of an automobile liability policy insuring against bodily injury and property damage liability and to the provisions therein, if any, relating to medical payments, uninsured motorists coverage, accidental death, and disability coverages.

Subd. 2. "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy superseding at the end of the policy period a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term; provided, however, that any policy with a policy period or term of less than six months or any policy with no fixed expiration date shall for the purpose of sections 65B.14 to 65B.21 be considered as if written for successive policy periods or terms of six months.

Subd. 3. "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy of automobile liability insurance or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

[1967 c 463 s 1; 1971 c 813 s 13]

65B.15 CANCELLATION OR REDUCTION IN LIMITS DURING POLICY PERIOD; GROUNDS; NOTICE. Subdivision 1. No cancellation or reduction in the limits of liability of coverage during the policy period of any policy shall be effective unless notice thereof is given and unless based on one or more reasons stated in the policy which shall be limited to the following:

1. Nonpayment of premium; or
2. The policy was obtained through a material misrepresentation; or
3. Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim; or
4. The named insured failed to disclose fully his motor vehicle accidents and moving traffic violations for the preceding 36 months if called for in his written application; or
5. The named insured failed to disclose in his written application any requested information necessary for the acceptance or proper rating of the risk; or
6. The named insured knowingly failed to give any required written notice of loss or notice of lawsuit commenced against him, or, when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit; or
7. The named insured or any other operator who either resides in the same household or customarily operates an automobile insured under such policy:
 - (a) has, within the 36 months prior to the notice of cancellation, had his driver's license under suspension or revocation; or
 - (b) is or becomes subject to epilepsy or heart attacks, and such individual does not produce a written opinion from a physician testifying to his medical ability to operate a motor vehicle safely, such opinion to be based upon a reasonable medical probability; or
 - (c) has an accident record, conviction record (criminal or traffic), physical

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condition or mental condition, any one or all of which are such that his operation of an automobile might endanger the public safety; or

(d) has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an automobile, or assault arising out of the operation of a motor vehicle, or operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an accident without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of a motor vehicle; or

(e) has been convicted of, or forfeited bail for, one or more violations within the 18 months immediately preceding the notice of cancellation, of any law, ordinance, or regulation which justify a revocation of a driver's license.

8. The insured automobile is:

(1) so mechanically defective that its operation might endanger public safety; or

(2) used in carrying passengers for hire or compensation, provided however that the use of an automobile for a car pool shall not be considered use of an automobile for hire or compensation; or

(3) used in the business of transportation of flammables or explosives; or

(4) an authorized emergency vehicle; or

(5) subject to an inspection law and has not been inspected or, if inspected, has failed to qualify within the period specified under such inspection law; or

(6) substantially changed in type or condition during the policy period, increasing the risk substantially, such as conversion to a commercial type vehicle, a dragster, sports car or so as to give clear evidence of a use other than the original use.

Subd. 2. This section shall not apply to any policy of automobile liability insurance which has been in effect less than 60 days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy.

Subd. 3. Nothing in this section shall apply to non-renewal.

[1967 c 463 s 2]

65B.16 STATEMENT OF REASONS FOR CANCELLATION OR REDUCTION. No notice of cancellation or reduction in the limits of liability of coverage of an automobile insurance policy under section 65B.15 shall be effective unless the specific underwriting or other reason or reasons for such cancellation or reduction in the limits of liability of coverage are stated in such notice and the notice is mailed or delivered by the insurer to the named insured at least 30 days prior to the effective date of cancellation; provided, however, that when nonpayment of premium is the reason for cancellation or when the company is exercising its right to cancel insurance which has been in effect for less than 60 days at least ten days notice of cancellation shall be given. When nonpayment of premiums is the reason for cancellation, the reason must be given to the insured with the notice of cancellation; and if the company is exercising its right to cancel within the first 60 days of coverage and notice is given with less than ten days remaining in the 60 day period, the coverage must be extended, to expire ten days after notice was mailed.

[1967 c 463 s 3; 1971 c 696 s 1]

65B.17 RENEWAL; NOTICE NOT TO RENEW. No insurer shall fail to renew an automobile liability insurance policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least 60 days advance notice of its intention not to renew. Said notice shall contain the specific underwriting or other reason or reasons for such nonrenewal. When the failure to renew is based upon a termination of the agency contract, the notice shall so state. This section shall not apply:

(a) If the insurer has manifested its willingness to renew; or

(b) In case of nonpayment of premium;

Provided that, notwithstanding the failure of an insurer to comply with this section, the policy shall terminate on the effective date of any other automobile liability insurance policy procured by the insured, with respect to any automobile designated in both policies. Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal. No insurer shall fail to renew an automobile liability policy

solely because of the age of the insured. No insurer shall refuse to renew an automobile liability insurance policy for reasons which are arbitrary or capricious.

No insurer shall take any action in regard to an automobile liability insurance policy on the statements or charges of any person made to the insurer concerning alleged unsafe driving habits of an insured unless the insurer shall concurrently disclose to the insured the name and address of the person from which the insurer received the information.

[1967 c 463 s 4; 1969 c 845 s 1; 1971 c 695 s 2]

65B.18 PROOF OF MAILING OF NOTICE. Proof of mailing of notice of cancellation, reduction in the limits of liability of coverage, or nonrenewal of a policy and, if required herein, the reason or reasons therefor to the named insured at the address shown in the policy, shall be sufficient proof that notice required herein has been given. A certificate of mailing on United States Postal Form 3817, as defined in Part 165 of the United States Postal Manual as now existing or hereafter changed by the United States Postal Department, shall constitute proof of mailing.

[1967 c 463 s 5; 1969 c 6 s 16]

65B.19 NOTICE OF RIGHT TO COMPLAIN. When the insurer notifies the policyholder of non-renewal, cancellation or reduction in the limits of liability of coverage under sections 65B.16 or 65B.17, the insurer shall also notify the named insured of his right to complain within 14 days of his receipt of notice of non-renewal, cancellation or reduction in the limits of liability to the commissioner of such action and of the nature of and his possible eligibility for insurance through the Minnesota automobile insurance plan. Such notice shall accompany or be included in the notice of non-renewal, cancellation or reduction in the limits of liability of coverage, and shall state that such notice of the insured's right of complaint to the commissioner and of the availability of insurance through the Minnesota automobile insurance plan is given pursuant to sections 65B.14 to 65B.21.

[1967 c 463 s 6; 1969 c 845 s 2; 1971 c 696 s 3; 1971 c 813 s 14]

65B.20 IMMUNITY OF INSURER OR COMMISSIONER; USE OF REASONS FOR CANCELLATION. There shall be no liability on the part of and no cause of action of any nature shall arise against the commissioner or against any insurer, its authorized representative, its agents, its employees, or any firm, person or corporation furnishing to the insurer information as to reasons for non-renewal or cancellation, for any statement made by them in any written notice of non-renewal or cancellation, for the providing of information relating thereto, or for statements made or evidence submitted at any hearings conducted in connection therewith.

[1967 c 463 s 7; 1969 c 845 s 3]

65B.21 OBJECTIONS; INVESTIGATION; DETERMINATION. Subdivision 1. Any individual who believes such nonrenewal, cancellation or reduction in the limits of liability of coverage of his policy is arbitrary, capricious or otherwise in violation of this provision, or who believes such notice of nonrenewal and the reason or reasons therefor were not given as provided herein, may, within 14 days after receipt of notice thereof, file in writing an objection to such action with the commissioner upon payment to the commissioner of a \$5 filing fee.

Subd. 2. Upon receipt of a filing fee and a written objection pursuant to the provisions herein, the commissioner shall notify the insurer of receipt of such objection and of the right of the insurer to file a written response thereto within ten days of receipt of such notification. The commissioner in his discretion may also order an investigation of the objection or complaint, the submission of additional information by the insured or the insurer about the action by the insurer or the objections of the insured, or such other procedure as he deems appropriate or necessary. Within 23 days of receipt of such written objection by an insured the commissioner shall approve or disapprove the insurer's action and shall notify the insured and insurer of his final decision. Either party may institute proceedings for judicial review of the commissioner's decision; provided, however, that the commissioner's final decision shall be binding pending judicial review.

[1967 c 463 s 8; 1969 c 845 s 4; 1971 c 696 s 4]

65B.22 UNINSURED MOTORIST COVERAGE. Subdivision 1. **Definition.** "Policy of automobile liability insurance" means a policy delivered or issued for delivery in this state, insuring a natural person as named insured, and any relative

or relatives of the named insured who is a resident of the same household covering automobiles owned by the insured of (a) the private passenger type, including a private passenger, station wagon or jeep type automobile not used as a public or livery conveyance for passengers, nor rented to others, or (b) the utility automobile type which shall mean any other four-wheel vehicle whether having a pick-up, sedan delivery, or panel truck type body not used primarily in the occupation, profession or business of the insured.

Subd. 2. No automobile liability or motor vehicle liability policy of insurance, not included within the definition of policy of automobile liability insurance contained in subdivision 1, insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, under provisions approved by the commissioner of insurance, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles, including colliding motor vehicles whose operators or owners are unknown or are unidentifiable at the time of the accident, and whose identity does not become known thereafter, because of bodily injury, sickness or disease, including death, resulting therefrom; provided, that the named insured shall have the right to reject in writing such coverage; and provided further that, unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured had rejected the coverage in connection with a policy previously issued to him by the same insurer. The policy limits of the coverage required to be offered by this section shall be as set forth in section 170.25, subdivision 3, until January 1, 1971; thereafter, at the option of the insured, the uninsured motorist limits shall be equal to those provided in the policy of bodily injury liability insurance of the insured or such lesser limits as the insured elects to carry.

Subd. 3. No automobile liability or motor vehicle liability policy of insurance, included within the definition of policy of automobile liability insurance contained in subdivision 1, insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, under provisions approved by the commissioner of insurance, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles, including colliding motor vehicles whose operators or owners are unknown or are unidentifiable at the time of the accident, and whose identity does not become known thereafter, because of bodily injury, sickness or disease, including death, resulting therefrom. The policy limits of the coverage required by this section shall be at least equal to the amount set forth in section 170.25, subdivision 3, until January 1, 1971; thereafter, at the option of the insured, the uninsured motorist limits shall be equal to those provided in the policy of bodily injury liability insurance of the insured or for such lesser limits as are designated in writing by the insured, which may not be less than the amount set forth in section 170.25, subdivision 3.

Subd. 4. For the purpose of this coverage the term "uninsured motor vehicle" shall, subject to the terms and conditions of such coverage, be deemed to include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency.

Subd. 5. Protection against insolvency of the other party's insurer shall be applicable only to accidents occurring during a policy period in which the insured's uninsured motorist coverage is in effect. Nothing herein contained shall be construed to prevent any insurer from affording insolvency protection under terms and conditions more favorable to its insureds than is provided hereunder.

Subd. 6. In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury

for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer.

Subd. 7. This section shall take effect with respect to automobile liability and motor-vehicle liability policies or renewals with an inception date on and after January 1, 1968.

Subd. 8. Beginning January 1, 1972, any company issuing a policy to an insured for the first time or for the first time after such date effects the renewal of a policy previously issued shall include the higher limits of coverage provided for in section 3, unless the insured chooses in writing such lower limits as are provided for in said section 3; thereafter the policy if renewed shall be with the limits of the previous policy unless the insured shall in writing request different limits within the limits provided for in said section 3.

[1967 c 837 s 1-5; 1969 c 630 s 1-8; 1971 c 581 s 2]

65B.23 AUTOMOBILE INSURANCE EXCLUSIONS FORBIDDEN. Subdivision 1. (a) No policy of automobile liability insurance as defined in section 65B.14, written or renewed after July 1, 1969, shall contain an exclusion of liability for damages for bodily injury solely because the injured person is a resident or member of an insured's household or related to the insured by blood or marriage.

(b) No policy of automobile liability insurance as defined in section 65B.14, written or renewed after July 1, 1971, shall contain an exclusion of liability for damages for bodily injury sustained by any person who is a named insured, except where such injury is sustained by a named insured who is driving the insured automobile at the time such injury is sustained. Nothing contained in this subdivision shall prohibit an insurer from issuing a named driver exclusionary endorsement voiding the policy wherein the insured automobile is being driven by the excluded driver.

Subd. 2. Adoption of this section shall not be relevant in any judicial determination of the validity of a family or household exclusion in a policy issued or renewed prior to July 1, 1969.

[1969 c 474 s 1, 2; 1971 c 719 s 1]

65B.24 SUPPLEMENTAL COVERAGE DEFINITIONS. Subdivision 1. For the purposes of sections 65B.24 to 65B.27, the words defined in this section shall have the meanings given them.

Subd. 2. "Automobile" means a four-wheeled passenger motor vehicle designed for use upon public roads and owned by a natural person, including trailers designed for use with such motor vehicles, but does not include a motorcycle or a motorcycle with a side car attached thereto.

Subd. 3. "Named insured" means the individual or individuals designated by name as specifically insured in the policy declaration.

Subd. 4. "Insured" means any person other than the named insured who is in or upon, entering into, or alighting from, the automobile insured and described in the policy with the express or implied permission of the named insured or the person operating the automobile with the express or implied consent of the named insured, and also means members of the household of the named insured and a pedestrian struck by the insured vehicle.

Subd. 5. "Medical expense" means expenses for necessary medical, hospital, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, professional nursing and funeral expenses.

Subd. 6. "Automobile liability policy" or "motor vehicle liability policy" means a policy of insurance, insuring against liability on account of bodily injury.

[1969 c 713 s 1]

65B.25 PERSONS AFFECTED. No automobile liability or motor vehicle liability policy of insurance shall be renewed, issued, or delivered in this state with respect to any automobile registered or principally garaged in this state unless coverages are made available to the named insured therein or supplemental thereto as set forth in section 65B.26, provided, however, that the named insured shall have the right to accept in writing all or any one or more of such coverages.

[1969 c 713 s 2]

65B.26 SUPPLEMENTAL INSURANCE COVERAGE. Such supplemental insurance coverages shall as a minimum include:

(a) Accidental death benefits of at least \$10,000 payable upon the loss of life

of the named insured which shall result directly from and independently of all other causes from bodily injury, other than sickness or disease or death resulting therefrom, caused by accident sustained by the named insured while occupying an automobile, or entering or alighting therefrom, or through being struck by a motor vehicle while a pedestrian, if death occurs within 90 days of the accident;

(b) Indemnity of at least \$60 per week for a period of at least 52 consecutive weeks during such period of time as the named insured is prevented from performing the usual duties of his regular occupation, by reason of injuries and disability accidentally sustained and arising while occupying an automobile, or entering, or alighting therefrom, or through being struck by a motor vehicle while a pedestrian. If the injured named insured is a housewife or is a person not gainfully employed at the time of the accident, the supplemental insurance coverage may provide that the indemnity per week and the number of weeks of indemnity may either or both be reduced 50 percent;

(c) Indemnity to the named insured and to any other insured, irrespective of legal liability, for medical expenses in an aggregate amount of at least \$2,000 for each such injured person, incurred within two years from the date of the accident by reason of bodily injuries arising out of the use of the automobile described in the policy, provided that no person shall be entitled to receive in the aggregate an amount exceeding his actual medical expenses.

(d) Beginning January 1, 1972, underinsured motorist coverage, whereby subject to the terms and conditions of such coverage the insurance company agrees to pay its own insured for such uncompensated damages as he may recover on account of an automobile accident because the judgment recovered against the owner of the other vehicle exceeds the policy limits thereon, to the extent of the policy limits on the vehicle of the party recovering or such smaller limits as he may select less the amount paid by the liability insurer of the party recovered against. His insurance company shall be subrogated to any amounts it so pays, and upon payment shall have an assignment of the judgment against the other party to the extent of the money it pays.

[1969 c 713 s 3; 1971 c 581 s 1]

65B.27 AUTHORIZATION TO WRITE POLICY. Notwithstanding any statutory or other provision to the contrary, said supplemental insurance coverage shall be deemed to be authorized to be written by any company having a certificate of authority to transact and write motor vehicle liability insurance in the state of Minnesota.

[1969 c 713 s 4]