

MINNESOTA STATUTES 1977 SUPPLEMENT

62E.531 HEALTH CARE

62E.531 Third party liability.

Subdivision 1. When the commissioner pays for or becomes liable for payments for health services under the provisions of sections 62E.51 to 62E.55, the department of public welfare shall have a lien for payments and liabilities for the services upon any and all causes of action which accrue to the person to whom the services were furnished, or to his legal representatives, as a result of injuries which directly or indirectly led to the incurring of qualified expenses.

The department may perfect and enforce its lien by following the procedures set forth in sections 514.69, 514.70, and 514.71, except that it shall have one year from the date when the last item of health service was furnished in which to file its verified lien statement. The statement shall be filed with the appropriate clerk of court in the county in which the recipient of the services resides or in the county in which the action was filed.

Subd. 2. Where a third party may be liable in whole or in part for payment for health services, the commissioner may consider the charges for the health services to be qualified expenses if the eligible person assigns any rights accruing by virtue of any third party liability to the commissioner to the extent necessary to reimburse the state for any payments made under the provisions of this section.

Subd. 3. Upon furnishing assistance under the provisions of sections 62E.51 to 62E.55, the department of public welfare shall be subrogated, to the extent of its payments for health services, to any rights the eligible person or his dependent may have under the terms of any plan of health coverage as defined in section 62E.02, subdivision 9. The right of subrogation shall not attach prior to written notice of the exercise of subrogation rights to the issuer of the plan of health coverage.

The attorney general, or the appropriate county attorney, acting upon direction from the attorney general, may institute or join a civil action against the issuer of the plan of health coverage to recover under this subdivision.

[1977 c 409 s 22]

62E.54 Duties of commissioner.

Subdivision 1. The commissioner shall:

- (a) Promulgate reasonable rules, including emergency rules, to implement sections 62E.51 to 62E.55.
- (b) Establish application forms and procedures for the use of persons seeking to be declared an eligible person; and
- (c) Investigate applications to determine whether or not the applicant is a qualified person and investigate claims from providers of health services to determine whether or not to pay them.

[For text of subd 2, see M.S.1976]

[1977 c 409 s 23]

CHAPTER 65B. AUTOMOBILE INSURANCE

| Sec. | | Sec. | |
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| 65B.06 | Distribution of risks; coverage. | 65B.51 | Deduction of collateral benefits from tort recovery; limitation on right to recover damages. |
| 65B.14 | Cancellation or nonrenewal of automobile policies; definitions. | 65B.53 | Indemnity; arbitration between obligors; subrogation. |
| 65B.161 | Refund of premium on cancellation. [New] | | |

65B.001 Definitions.

Subdivision 1. Unless a different meaning is expressly made applicable, the

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Terms defined in this section shall, for the purposes of this chapter, have the meaning given them.

Subd. 2. "Private passenger vehicle insurance" means a policy insuring a natural person as named insured, and any relative of the named insured who is a resident of the same household, covering private passenger vehicles or utility vehicles owned by the insured. This term does not include a policy insuring more than four vehicles rated on a fleet basis or covering garage, automobiles sales agency, repair shop, service station or public parking place operation hazards.

Subd. 3. "Private passenger vehicle" means a passenger automobile or station wagon, as those terms are defined in section 168.011, or a jeep type automobile, which vehicles are not rented to others or used as a public or livery conveyance for passengers.

Subd. 4. "Utility vehicle" means any four wheel vehicle, other than a private passenger vehicle, which has a pick-up, sedan, delivery, van, or panel truck type body and is not used primarily in the occupation, profession or business of the insured, other than farming or ranching.

[1977 c 366 s 1]

65B.02 Definitions.

[For text of subds 1 to 6, see M.S.1976]

Subd. 7. "Participation ratio" means the ratio of the participating member's Minnesota premiums, or other measure of business written approved by the commissioner, 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, provided, however, that the preliminary determination of each participating member's responsibility for expenses and assessments may use the calendar year ending December 31 of the third prior year.

[For text of subd 8, see M.S.1976]

[1977 c 276 s 1]

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65B.06 Distribution of risks; coverage.

[For text of subd 1, see M.S.1976]

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) Bodily injury liability and property damage liability coverage in the minimum amounts specified in section 65B.49, subdivision 3;

(2) Uninsured motorists coverage as required by section 65B.49, subdivision 4;

(3) 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, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner, and corresponding higher limits of uninsured motorist coverage as required by section 65B.49, subdivision 6;

(4) Additional medical expense benefits and other optional coverages, in accordance with section 65B.49, subdivision 6, and other optional coverages as recommended by the governing committee and approved by the commissioner; and

(5) Automobile physical damage coverage, including coverage of loss by collision, subject to optional deductibles.

No coverage available under clause (5) shall be provided by a carrier that has been licensed to provide the coverage made available under clause (1) or (2), unless the qualified applicant has requested coverage pursuant to clause (1) or (2) as well as physical damage coverage. If a qualified applicant requests only physical damage coverage, the coverage shall be provided by an insurer not writing the coverage specified in clauses (1) and (2).

[For text of subds 3 and 4, see M.S.1976]

[1977 c 276 s 2]

65B.14 Cancellation or nonrenewal of automobile policies; definitions.

Subdivision 1. For the purposes of sections 65B.14 to 65B.21, the terms defined in this section have the meanings given them.

Subd. 2. "Policy of automobile insurance" or "policy" means a policy of private passenger vehicle insurance as defined in section 65B.001, or a plan of reparation security as defined in section 65B.48, delivered or issued for delivery in this state.

Subd. 3. "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. 4. "Nonpayment of premium" means failure of the named insured to

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discharge when due any of his obligations in connection with the payment of premiums on a policy of automobile 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.

[1977 c 366 s 2]

65B.161 Refund of premium on cancellation.

Cancellation of a policy of automobile insurance pursuant to sections 65B.15 and 65B.16 shall not be effective unless any unearned premium due the insured is returned to the insured with the notice of cancellation or is delivered or sent by mail to the insured so as to be received by the insured not later than the effective date of cancellation.

[1977 c 366 s 3]

65B.44 Basic economic loss benefits.

[For text of subds 1 and 2, see M.S.1976]

Subd. 3. **Disability and income loss benefits.** Disability and income loss benefits shall reimburse 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of \$200 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain his income, which he normally performs himself, and which he cannot perform because of his injury. Compensation for loss of income from work shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in available appropriate substitute work which he was capable of performing but unreasonably failed to undertake.

For the purposes of this section "inability to work" means disability which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which he is or may by training become reasonably qualified. If the injured person returns to his employment and is unable by reason of his injury to work continuously, compensation for lost income shall be reduced by the income received while he is actually able to work.

[For text of subds 4 to 8, see M.S.1976]

[1977 c 266 s 1]

65B.49 Insurers.

[For text of subds 1 to 3, see M.S.1976]

Subd. 4. **Uninsured or hit-and-run motor vehicle coverage.** (1) No plan of reparation security may be renewed, delivered or issued for delivery, or executed in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, in the amounts of \$25,000 because of injury to or the death of one person in any accident, and subject to the said limit for one person, \$50,000 because of bodily injury to or the death of two or more persons in any one accident, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles and hit-and-run motor vehicles because of injury.

(2) Every owner of a motor vehicle registered or principally garaged in this state shall maintain uninsured motor vehicle coverage as provided in this subdivision.

(3) "Uninsured motor vehicle" means any motor vehicle or motorcycle for which a plan of reparation security meeting the requirements of sections 65B.41 to 65B.71 is not in effect.

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(4) No recovery shall be permitted under the uninsured motor vehicle provisions of this section for basic economic loss benefits paid or payable, or which would be payable but for any applicable deductible.

[*For text of subd 5, see M.S.1976*]

Subd. 6. Mandatory offer; added coverage. Reparation obligors shall offer the following optional coverages in addition to compulsory coverages:

(a) Medical expense benefits subject to a maximum payment of \$10,000;

(b) Medical expense benefits subject to a maximum payment of \$20,000;

(c) Residual bodily liability coverage of not less than \$25,000 for damages for injury to one person in any one accident arising out of the maintenance or use of a motor vehicle, subject to a limitation of \$50,000 for damages arising out of any one accident;

(d) Basic economic loss benefits to all persons purchasing liability coverage for injuries arising out of the maintenance or use of a motorcycle;

(e) Underinsured motorist coverage offered in an amount at least equal to the insured's residual liability limits and also at lower limits which the insured may select, whereby the reparation obligor agrees to pay damages the insured is legally entitled to recover on account of a motor vehicle accident but which are uncompensated because the total damages exceed the residual bodily injury liability limit of the owner of the other vehicle. The reparation obligor is subrogated to any amounts it pays and upon payment has an assignment of the judgment if any against the other person to the extent of the money it pays; and

(f) Uninsured motorist coverage in addition to the minimum limits specified in subdivision 4, so as to provide total limits of uninsured motorist coverage equal to the residual bodily injury liability limits of the policy, or smaller limits as the insured may select. This coverage may be offered in combination with the coverage under clause (e).

[*For text of subds 7 and 8, see M.S.1976*]

[1977 c 266 s 2,3; 1977 c 276 s 3]

65B.51 Deduction of collateral benefits from tort recovery; limitation on right to recover damages.

Subdivision 1. Deduction of basic economic loss benefits. With respect to a cause of action in negligence accruing as a result of injury arising out of the operation, ownership, maintenance or use of a motor vehicle with respect to which security has been provided as required by sections 65B.41 to 65B.71, there shall be deducted from any recovery the value of basic or optional economic loss benefits paid or payable or which will be payable in the future, or which would be payable but for any applicable deductible.

[*For text of subds 2 to 5, see M.S.1976*]

[1977 c 266 s 4]

65B.53 Indemnity; arbitration between obligors; subrogation.

Subdivision 1. A reparation obligor paying or obligated to pay basic or op-

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tional economic loss benefits is entitled to indemnity subject to the limits of the applicable residual liability coverage from a reparation obligor providing residual liability coverage on a commercial vehicle if negligence in the operation, maintenance or use of the commercial vehicle was the direct and proximate cause of the injury for which the basic economic loss benefits were paid or payable to the extent that the insured would have been liable for damages but for the deduction provisions of section 65B.51, subdivision 1.

[For text of subds 2 to 4, see M.S.1976]

Subd. 5. Except as provided in this section nothing in sections 65B.41 to 65B.71 shall limit or abridge the subrogation rights of a reparation obligor providing collision coverage to a policyholder.

[For text of subds 6 and 7, see M.S.1976]

Subd. 8. Notwithstanding any law to the contrary, in any action brought for the recovery of damages allegedly caused by the negligent operation, ownership, maintenance or use of a motor vehicle or motorcycle where the right of subrogation is claimed or may be claimed under this section, or in any counterclaim to such an action, the right of an insurer to be subrogated to all or a portion of the claim of an insured, whether the right to subrogation arises from contract, statute or any other source, shall be enforceable against the insured only if the insurer, upon demand by the insured, agrees to pay a share of the attorney fees and costs incurred to prosecute the claim, in such proportion as the insurer's subrogated interest in the claim bears to any eventual recovery on the claim.

[1977 c 188 s 1,2; 1977 c 266 s 5]

CHAPTER 67A. TOWNSHIP MUTUAL COMPANIES

| Sec. | Sec. |
|------------------------|----------------------------------|
| 67A.11 Annual meeting. | 67A.14 Insurable property. |
| | 67A.23 Investments, limitations. |

67A.11 Annual meeting.

[For text of subds 1 and 2, see M.S.1976]

Subd. 3. **Annual statement.** On or before March first, following the end of each fiscal year, the president and the secretary shall file with the commissioner a verified statement of the entire business and condition of the company, which statement shall contain such data and information in reference to the business of the preceding fiscal year as shall be required by the commissioner.

[For text of subds 4 and 5, see M.S.1976]

[1977 c 244 s 1]

67A.14 Insurable property.

Subdivision 1. **Kinds of property.** Township mutual fire insurance companies may insure dwellings, household goods, appurtenant structures, farm buildings, farm personal property, churches, church personal property, county fair buildings, community and township meeting halls and their usual contents.

Subd. 5. **What may not be insured; property outside designated territory.** No township mutual fire insurance company shall insure any property in cities of the first or second class or any property outside of the limits of the territory in which the company is authorized by its certificate or articles of incorporation to transact business, except personal property temporarily outside of the authorized territory.

[For text of subd 7, see M.S.1976]

[1977 c 244 s 2,3]