

## CHAPTER 65B

### AUTOMOBILE INSURANCE

65B.04 Plan of operation.  
 65B.133 Surcharge disclosure.  
 65B.134 Comprehensive coverage; glass breakage.  
 65B.17 Renewal; notice not to renew.  
 65B.44 Basic economic loss benefits.  
 65B.48 Reparation security compulsory.

65B.51 Deduction of collateral benefits from tort recovery; limitation on right to recover damages.  
 65B.67 Penalties for failure to provide security for basic reparation benefits.

#### 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 this chapter, he shall approve it and it will then be in effect. If he finds that the plan fails to meet the requirements of this chapter, 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 still does not meet the requirements of this chapter, the commissioner shall amend the plan which was submitted by the governing committee to comply with this chapter, and shall, by order, effect the plan of operation. The action of the commissioner may be appealed in accordance with chapter 14.

*[For text of subds 2 to 4, see M.S.1982]*

**History:** 1983 c 247 s 34

#### 65B.133 SURCHARGE DISCLOSURE.

*[For text of subds 1 to 4, see M.S.1982]*

Subd. 5. **Limitation on chargeable traffic violations.** No traffic violation is chargeable to a driver unless the driver is convicted of, or forfeits bail for, the offense, or the driver's license is revoked pursuant to section 169.123. If a surcharge is applied because bail is forfeited and if the driver is later acquitted of the offense, the insurer shall rebate the surcharge. A violation of section 169.685, subdivision 5 is not chargeable.

*[For text of subds 6 and 7, see M.S.1982]*

**History:** 1983 c 261 s 2

#### 65B.134 COMPREHENSIVE COVERAGE; GLASS BREAKAGE.

Any policy of automobile insurance, as defined in section 65B.14, subdivision 2, providing comprehensive coverage, whether designated as such or included in a policy providing broader coverage, must provide at the option of the insured complete coverage for repair or replacement of all damaged safety glass without regard to any deductible or minimum amount.

**History:** 1983 c 292 s 2

**65B.17 RENEWAL; NOTICE NOT TO RENEW.**

Subdivision 1. **General regulations.** No insurer shall fail to renew an automobile 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. The notice must contain the specific underwriting or other reason or reasons for the nonrenewal. When the failure to renew is based upon a termination of the agency contract, the notice must so state. This section does not apply:

- (a) If the insurer has manifested its willingness to renew; or
- (b) In case of nonpayment of the renewal premium;

Provided that, notwithstanding the failure of an insurer to comply with this section, the policy terminates on the effective date of any other automobile insurance policy procured by the insured, with respect to any automobile designated in both policies. Renewal of a policy does not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of the renewal. No insurer shall fail to renew an automobile policy solely because of the age of the insured. No insurer shall refuse to renew an automobile insurance policy for reasons which are arbitrary or capricious. No insurer shall refuse to renew an automobile insurance policy in violation of rules adopted pursuant to subdivision 2. An insurer may refuse to renew an automobile insurance policy in case of nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance; provided, however, that this provision for nonrenewal for failure to pay dues shall not be applicable to persons who are retired at age 62 years of age or older or who are disabled, according to social security standards.

No insurer shall take any action in regard to an automobile 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.

Subd. 2. **Rulemaking.** The commissioner may adopt rules pursuant to chapter 14, including temporary rules, to specify the grounds for nonrenewal of an automobile policy. The rules must limit the basis for nonrenewal to the following factors:

- (a) the reasons stated for cancellation in section 65B.15;
- (b) payments made for collision, bodily injury liability, or property damage liability coverage;
- (c) moving violations of a driver; and
- (d) other factors deemed reasonable by the commissioner.

The rules must specify the manner in which these factors will be considered and may reflect the severity or reoccurrence of any moving violation, the amount of any payment made, and the number of vehicles insured.

Subd. 3. **Administrative penalty.** The rules adopted under this section may provide for imposition of a monetary penalty not greater than \$500 per occurrence upon insurers who are found to be in violation of any rule provision.

**History:** 1983 c 203 s 2

**65B.44 BASIC ECONOMIC LOSS BENEFITS.**

*[For text of subds 1 and 2, see M.S.1982]*

Subd. 3. **Disability and income loss benefits.** Disability and income loss benefits shall provide compensation for 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.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses his eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of \$200 per week.

Compensation under this subdivision 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. The weekly maximums may not be prorated to arrive at a daily maximum, even if the injured person does not incur loss of income for a full week.

*[For text of subds 4 to 8, see M.S.1982]*

**History:** 1983 c 345 s 1

#### **65B.48 REPARATION SECURITY COMPULSORY.**

*[For text of subds 1 and 2, see M.S.1982]*

Subd. 3. Self-insurance, subject to approval of the commissioner, is effected by filing with the commissioner in satisfactory form:

(1) a continuing undertaking by the owner or other appropriate person to pay tort liabilities or basic economic loss benefits, or both, and to perform all other obligations imposed by sections 65B.41 to 65B.71;

(2) evidence that appropriate provision exists for prompt administration of all claims, benefits, and obligations provided by sections 65B.41 to 65B.71;

(3) evidence that reliable financial arrangements, deposits, or commitments exist providing assurance, substantially equivalent to that afforded by a policy of insurance complying with sections 65B.41 to 65B.71, for payment of tort liabilities, basic economic loss benefits, and all other obligations imposed by sections 65B.41 to 65B.71; and

(4) a nonrefundable application fee of \$500.

Subd. 3a. To carry out the purposes of subdivision 3, the commissioner may adopt rules pursuant to chapter 14, including temporary rules. These rules may:

(a) establish reporting requirements;

(b) establish standards or guidelines to assure the adequacy of the financing and administration of self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities that self-insure; and

(d) establish other reasonable requirements to further the purposes of this section.

*[For text of subds 4 to 8, see M.S.1982]*

**History:** 1983 c 203 s 3,4

**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 would be payable but for any applicable deductible.

*[For text of subds 2 to 5, see M.S.1982]*

**History:** 1983 c 243 s 1

**65B.67 PENALTIES FOR FAILURE TO PROVIDE SECURITY FOR BASIC REPARATION BENEFITS.**

*[For text of subd 1, see M.S.1982]*

Subd. 2. **Violation by owner.** Any owner of a motor vehicle or motorcycle with respect to which security is required under sections 65B.41 to 65B.71 who operates the motor vehicle or motorcycle or permits it to be operated upon a public highway, street or road in this state and who knows or has reason to know that the motor vehicle or motorcycle does not have security complying with the terms of section 65B.48, is guilty of a misdemeanor and shall be sentenced as provided in subdivision 4.

Subd. 3. **Violation by driver.** Any other person who operates a motor vehicle or motorcycle upon a public highway, street or road in this state with knowledge that the owner does not have security complying with the terms of section 65B.48 in full force and effect is guilty of a misdemeanor and shall be sentenced as provided in subdivision 4.

Subd. 3a. **False statements.** Any owner of a motor vehicle or motorcycle who falsely claims to have a plan of reparation security in effect at the time of registration of a motor vehicle or motorcycle pursuant to section 65B.48 is guilty of a misdemeanor and shall be sentenced as provided in subdivision 4.

Subd. 4. **Penalty.** Any operator of a motor vehicle or motorcycle who is convicted of a misdemeanor under the terms of this section shall be sentenced as provided in section 609.03, clause (3), and shall have his driver's license revoked for not more than 12 months. If the operator is also an owner of the motor vehicle or motorcycle, the registration of the motor vehicle or motorcycle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48. The commissioner shall include a notice of the penalties contained in this section on all forms for registration of motor vehicles or motorcycles required to maintain a plan of reparation security.

*[For text of subds 4a to 6, see M.S.1982]*

**History:** 1983 c 6 s 1-4