

CHAPTER 65B

AUTOMOBILE INSURANCE

65B.001	Definitions.	65B.43	Definitions.
65B.03	Governing committee.	65B.46	Right to benefits.
65B.12	Right to hearing; construction of plan of operation.	65B.48	Reparation security compulsory.
65B.1311	Coverage for former spouse.	65B.49	Insurers.
65B.15	Cancellation or reduction in limits during policy period; grounds; notice.	65B.491	Senior citizens.
65B.16	Statement of reasons for cancellation or reduction.	65B.525	Arbitration procedure; rules of court.
65B.162	Notice of possible cancellation.	65B.63	Assigned claims plan.
65B.21	Objections; investigation; determination.	65B.80	Definitions.
65B.28	Accident prevention course premium reductions.	65B.81	Disclosure of information.
		65B.82	Evidence.
		65B.83	Enforcement.

65B.001 DEFINITIONS.

[For text of subs 1 to 4, see M.S.1986]

Subd. 5. **Motorcycle.** "Motorcycle" means a self-propelled vehicle designed to travel on fewer than four wheels that has an engine rated at greater than five horsepower, and includes a trailer with one or more wheels, when the trailer is connected to or being towed by a motorcycle. For purposes of this chapter, motorcycle includes a motorized bicycle as defined in section 169.01, subdivision 4a.

History: 1987 c 269 s 1

65B.03 GOVERNING COMMITTEE.

Subdivision 1. **Membership.** The commissioner shall direct that an election be held among every insurer subject to this chapter, for the election of insurer representatives on the facility governing committee. The governing committee shall be made up of nine individuals, five of whom shall be elected by participating members of the facility and four who shall be public members. Public members may include licensed insurance agents. The public members shall be appointed by the commissioner. Each insurer member of the governing committee shall be a participating member. The term of office for members of the governing committee is two years.

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.

[For text of subd 2, see M.S.1986]

History: 1987 c 337 s 96

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. The 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 the 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. The hearing shall be governed by the procedures for contested cases.

Subd. 4. Upon a hearing pursuant to chapter 14, 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. 4a. In lieu of the appeal to the commissioner, a member, applicant, or person may seek judicial review of the governing committee's action.

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 in the laws, unless the facility is specifically excluded from the applicability of these laws.

History: 1987 c 337 s 97

65B.1311 COVERAGE FOR FORMER SPOUSE.

Subdivision 1. **New policy issued.** An insurer must issue a policy of private passenger insurance to the former spouse of a named insured, within the provisions of subdivision 2, if the following conditions are met:

(1) the former spouse has been an insured driver under the former policy for at least the six months immediately preceding the entry of a valid decree of dissolution of marriage;

(2) the former spouse makes application for a policy before the end of the policy period or within 60 days after the entry of the decree of dissolution of marriage, whichever is later;

(3) the appropriate premium is paid; and

(4) the former spouse and any person or persons who are to be an insured, as defined in section 65B.43, meets the insurer's eligibility standards for renewal policies.

Subd. 2. **Named insured.** A named insured under a policy of private passenger vehicle insurance shall have the premium determined at the first and any subsequent renewals of the policy after entry of a valid decree of dissolution of the marriage of the named insured only on the basis of the driving record and rating classification applicable to the named insured and any person who is to be an insured, as defined in section 65B.43, under the policy to be renewed.

History: 1987 c 337 s 98

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 motor vehicle accidents and moving traffic violations of the named insured for the preceding 36 months if called for in the written application; or

5. The named insured failed to disclose in the 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 the named insured, 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, unless the other operator is identified by name in any other policy as an insured; or customarily operates an automobile insured under such policy:

(a) has, within the 36 months prior to the notice of cancellation, had that person's 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 that person's 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 condition or mental condition, any one or all of which are such that the person's 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 rule 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.

[For text of subd 2, see M.S.1986]

History: 1987 c 337 s 99

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, and the reasons for the cancellation, shall be given. Information regarding moving traffic violations or motor vehicle accidents must be specifically requested on the application in order for a company to use those incidents to exercise its right to cancel within the first 59 days of coverage. 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 59 days of coverage and notice is given with less than ten days remaining in the 59-day period, the coverage must be extended, to expire ten days after notice was mailed.

History: 1987 c 337 s 100

65B.162 NOTICE OF POSSIBLE CANCELLATION.

A written notice shall be provided to all applicants for private passenger insurance,

at the time the application is submitted, containing the following language in bold print: "THE INSURER MAY ELECT TO CANCEL COVERAGE AT ANY TIME DURING THE FIRST 59 DAYS FOLLOWING ISSUANCE OF THE COVERAGE FOR ANY REASON WHICH IS NOT SPECIFICALLY PROHIBITED BY STATUTE."

History: 1987 c 337 s 101

65B.21 OBJECTIONS; INVESTIGATION; DETERMINATION.

[For text of subd 1, see M.S.1986]

Subd. 2. Upon receipt of a written objection pursuant to the provisions herein, the commissioner may 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 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 the commissioner 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 the 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.

History: 1987 c 337 s 102

65B.28 ACCIDENT PREVENTION COURSE PREMIUM REDUCTIONS.

Subdivision 1. **Required reduction.** An insurer must provide an appropriate premium reduction of at least ten percent on its policies of private passenger vehicle insurance, as defined in section 65B.001, subdivision 2, issued, delivered, or renewed in this state after January 1, 1985, to insureds 55 years old and older who successfully complete an accident prevention course established under subdivision 2.

Subd. 2. **Accident prevention course; rules.** The commissioner of public safety shall, by January 1, 1985, adopt rules establishing and regulating a motor vehicle accident prevention course for persons 55 years old and older. The rules must, at a minimum, include provisions:

- (1) establishing curriculum requirements;
- (2) establishing the number of hours required for successful completion of the course;
- (3) providing for the issuance of a course completion certification and requiring its submission to an insured as evidence of completion of the course; and
- (4) requiring persons 55 years old and older to retake the course every three years to remain eligible for a premium reduction.

History: 1987 c 337 s 103

65B.43 DEFINITIONS.

[For text of subds 1 to 12, see M.S.1986]

Subd. 13. "Motorcycle" means a self-propelled vehicle designed to travel on fewer than four wheels which has an engine rated at greater than five horsepower, and includes (1) a trailer with one or more wheels, when the trailer is connected to or being towed by a motorcycle; and (2) a motorized bicycle as defined in section 169.01, subdivision 4a.

[For text of subds 14 to 20, see M.S.1986]

History: 1987 c 269 s 2

65B.46 RIGHT TO BENEFITS.

Subdivision 1. If the accident causing injury occurs in this state, every person suffering loss from injury arising out of maintenance or use of a motor vehicle or as a result of being struck as a pedestrian by a motorcycle has a right to basic economic loss benefits.

Subd. 2. If the accident causing injury occurs outside this state in the United States, United States possessions, or Canada, the following persons and their surviving dependents suffering loss from injury arising out of maintenance or use of a motor vehicle or as a result of being struck as a pedestrian by a motorcycle have a right to basic economic loss benefits:

(1) Insureds, and

(2) the driver and other occupants of a secured vehicle, other than (a) a vehicle which is regularly used in the course of the business of transporting persons or property and which is one of five or more vehicles under common ownership, or (b) a vehicle owned by a government other than this state, its political subdivisions, municipal corporations, or public agencies. The reparation obligor may, if the policy expressly states, extend the basic economic loss benefits to any stated area beyond the limits of the United States, United States possessions and Canada.

Subd. 3. For the purposes of sections 65B.41 to 65B.71, injuries suffered by a person while on, mounting or alighting from a motorcycle do not arise out of the maintenance or use of a motor vehicle although a motor vehicle is involved in the accident causing the injury.

History: 1987 c 337 s 104

65B.48 REPARATION SECURITY COMPULSORY.

Subdivision 1. Every owner of a motor vehicle of a type which is required to be registered or licensed or is principally garaged in this state shall maintain during the period in which operation or use is contemplated a plan of reparation security under provisions approved by the commissioner, insuring against loss resulting from liability imposed by law for injury and property damage sustained by any person arising out of the ownership, maintenance, operation or use of the vehicle. The plan of reparation security shall provide for basic economic loss benefits and residual liability coverage in amounts not less than those specified in section 65B.49, subdivision 3, clauses (1) and (2). The nonresident owner of a motor vehicle which is not required to be registered or licensed, or which is not principally garaged in this state, shall maintain such security in effect continuously throughout the period of the operation, maintenance or use of such motor vehicle within this state with respect to accidents occurring in this state; such security shall include coverage for property damage to a motor vehicle rented or leased within this state by a nonresident.

[For text of subs 2 to 7, see M.S.1986]

History: 1987 c 337 s 105

65B.49 INSURERS.

[For text of subs 1 to 4a, see M.S.1986]

Subd. 5a. **Rental vehicles.** (a) No plan of reparation security may be issued or renewed after August 1, 1987, unless the plan provides that all coverages under the plan are extended to any motor vehicle while being rented by the named insured. The plan must also provide that all or any part of the obligation of the named insured for property damage to a rented vehicle would be covered by the collision or comprehensive portion of the plan. The plan must provide that any deductible will not apply to claims that arise while a motor vehicle is being rented by a named insured.

(b) A vehicle is rented for purposes of this subdivision if the rate for the use of the vehicle is determined on a weekly or daily basis. A vehicle is not rented for purposes

of this subdivision if the rate for the vehicle's use is determined on a monthly or longer period or the vehicle is rented principally for business purposes.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to rental vehicles and that the insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more plans of reparation security containing the rented motor vehicle coverage required under paragraph (a), claims must be made against the plan covering the motor vehicle most often driven by the insured.

(e) A notice advising the insured of rental vehicle coverage must be given to each current insured with the first renewal notice after January 1, 1988. The notice must be approved by the commissioner of commerce. The commissioner may specify the form of the notice. A form approved by the commissioner must be reasonably calculated to put the insured on notice of the coverage.

(f) When a motor vehicle is rented or leased in this state, the rental contract must contain a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten, which states:

Under Minnesota law, a personal automobile insurance policy issued in Minnesota must cover the rental of a motor vehicle unless the rental is principally for business use or rented on a monthly or longer basis. Therefore, purchase of any collision damage waiver or other insurance affected in this rental contract may not be necessary if your policy was issued in Minnesota.

No collision damage waiver or other insurance offered as part of or in conjunction with a rental of a motor vehicle may be sold unless the person renting the vehicle provides a written acknowledgment that the above consumer protection notice has been read and understood.

[For text of subds 7 and 8, see M.S.1986]

History: 1987 c 337 s 106

65B.491 SENIOR CITIZENS.

After August 1, 1987, no plan of reparation security issued to or renewed with a person who has attained the age of 65 years may provide coverage for wage loss reimbursement that the insured will not reasonably be expected to be able to receive. It is the responsibility of the person issuing or renewing the plan to inquire as to the applicability of this section. The rate for any plan for which coverage has been excluded or reduced pursuant to this section must be reduced accordingly. This section does apply to self-insurance.

History: 1987 c 337 s 107

65B.525 ARBITRATION PROCEDURE; RULES OF COURT.

Subdivision 1. The supreme court and the several courts of general trial jurisdiction of this state shall by rules of court or other constitutionally allowable device, provide for the mandatory submission to arbitration of all cases at issue where the claim at the commencement of arbitration is in an amount of \$5,000 or less against any insured's reparation obligor for no-fault benefits or comprehensive or collision damage coverage.

[For text of subd 2, see M.S.1986]

History: 1987 c 337 s 108

65B.63 ASSIGNED CLAIMS PLAN.

Subdivision 1. Reparation obligors providing basic economic loss insurance in this state shall organize and maintain, subject to approval and regulation by the commissioner, an assigned claims bureau and an assigned claims plan, and adopt rules

for their operation and for the assessment of costs on a fair and equitable basis consistent with sections 65B.41 to 65B.71. The assigned claims bureau shall be managed by a governing committee made up of four individuals selected by the insurer members, one individual selected by the self-insurer members, and two public members appointed by the governor to two-year terms. Public members may include licensed insurance agents. If such obligors do not organize and continuously maintain an assigned claims bureau and an assigned claims plan in a manner considered by the commissioner of commerce to be consistent with sections 65B.41 to 65B.71, the commissioner shall organize and maintain an assigned claims bureau and an assigned claims plan. Each reparation obligor providing basic economic loss insurance in this state shall participate in the assigned claims bureau and the assigned claims plan. Costs incurred shall be allocated fairly and equitably among the reparation obligors.

A ruling, action, or decision of the governing committee may be appealed to the commissioner within 30 days. A final action or order of the commissioner is subject to judicial review in the manner provided by chapter 14. In lieu of an appeal to the commissioner, judicial review of the governing committee's ruling, action, or decision may be sought.

[For text of subd 2, see M.S.1986]

History: 1987 c 337 s 109

DISCLOSURE OF INFORMATION

65B.80 DEFINITIONS.

Subdivision 1. **Terms.** The following terms have the meanings given for purposes of sections 65B.80 to 65B.83.

Subd. 2. **Authorized person.** "Authorized person" means the prosecuting attorney responsible for prosecutions in the county where the motor vehicle theft occurred, the superintendent of the bureau of criminal apprehension, and the sheriff or chief of police responsible for investigation in the county where the motor vehicle theft occurred.

Subd. 3. **Relevant information.** "Relevant information" or evidence means information having a tendency to make the existence of any fact that is of consequence to the investigation or determination of the issue more or less probable than it would be without the evidence.

History: 1987 c 254 s 1

65B.81 DISCLOSURE OF INFORMATION.

Subdivision 1. **Request.** After receiving a written request, an insurance company must release to an authorized person any relevant information in the company's possession that relates to the motor vehicle theft. Relevant information is limited to:

- (1) pertinent insurance policy information, including the application for a policy, that is relevant to a motor vehicle theft under investigation by the authorized person;
- (2) policy premium payment records that are available;
- (3) a history of previous claims made by the insured including, where the insured is a corporation or partnership, a history of previous claims by a subsidiary or any affiliates, and a history of claims of any other business association in which individual officers or partners or their spouses were known to be involved; and
- (4) material relating to the investigation of the theft, including statements of any person, proof of loss, and any other evidence relevant to the investigation.

Subd. 2. **Notification by insurer required.** If an insurance company has reason to believe that a motor vehicle theft in which it has an interest may be fraudulently claimed, the company shall, in writing, notify an authorized person and provide the person with all relevant information specified in subdivision 1 relating to the motor vehicle theft. It is sufficient for the purpose of this subdivision if an insurance company notifies and provides relevant information to one authorized person.

Subd. 3. **Release of information.** An authorized person provided with information under subdivision 1 or 2 may, to further official purposes, release or provide the information to any other authorized person.

Subd. 4. **Information from authorized person.** An insurance company that provides information to an authorized person may request relevant information in writing from the authorized person and the authorized person must provide the requested information within 30 days. The relevant information provided under this subdivision may not include nonconviction criminal history record information or any other information that is detrimental to an ongoing criminal investigation or would reveal the identity of a confidential source of information. An authorized person who does not furnish the requested information shall notify the insurance company of the reasons why the information cannot be furnished within 30 days of the request.

Subd. 5. **Immunity from liability.** An insurance company or its agent acting in its behalf, or an authorized person who releases information, whether oral or written, acting in good faith, under subdivisions 1 to 3, is immune from any liability, civil or criminal, that might otherwise be incurred or imposed.

History: 1987 c 254 s 2

65B.82 EVIDENCE.

Data received under sections 65B.80 to 65B.83 by an authorized person or insurance company is confidential data under section 13.02, subdivision 3, until its release is required in connection with a criminal or civil proceeding.

History: 1987 c 254 s 3

65B.83 ENFORCEMENT.

Subdivision 1. **Intentional refusal to release.** An insurance company or officer may not intentionally refuse to release any information requested under section 65B.81, subdivision 1.

Subd. 2. **Intentional refusal to notify.** An insurance company, or its employee or officer, may not intentionally refuse to provide notice or relevant information to authorized persons under section 65B.81, subdivision 2.

Subd. 3. **Penalty.** Whoever violates the provisions of subdivision 1 or 2 is guilty of a misdemeanor.

History: 1987 c 254 s 4