

CHAPTER 213—H.F.No. 956

An act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1988, section 65B.49, subdivision 3a, is amended to read:

Subd. 3a. **UNINSURED AND UNDERINSURED MOTORIST COVERAGES.** (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 separate uninsured and underinsured motorist coverages are provided therein. ~~The coverages combined~~ Each coverage, at a minimum, must provide limits of \$25,000 because of injury to or the death of one person in any accident and \$50,000 because of injury to or the death of two or more persons in any accident. In the case of injury to, or the death of, two or more persons in any accident, the amount available to any one person must not exceed the coverage limit provided for injury to, or the death of, one person in any accident. ~~For purposes of this subdivision, uninsured motorist coverage and underinsured motorist coverage shall be a single coverage.~~

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

(3) No reparation obligor is required to provide limits of uninsured and underinsured motorist coverages in excess of the bodily injury liability limit provided by the applicable plan of reparation security.

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

(5) If at the time of the accident the injured person is occupying a motor vehicle, the limit of liability for uninsured and underinsured motorist coverages available to the injured person is the limit specified for that motor vehicle. However, if the injured person is occupying a motor vehicle of which the injured person is not an insured, the injured person may be entitled to excess insurance protection afforded by a policy in which the injured party is otherwise insured. The excess insurance protection is limited to the extent of covered damages sustained, and further is available only to the extent by which the limit of liability for like coverage applicable to any one motor vehicle listed on the automobile insurance policy of which the injured person is an insured exceeds the limit of liability of the coverage available to the injured person from the occupied motor vehicle.

New language is indicated by underline, deletions by ~~strikeout~~.

If at the time of the accident the injured person is not occupying a motor vehicle, the injured person is entitled to select any one limit of liability for any one vehicle afforded by a policy under which the injured person is insured.

(6) Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown on the policy, or premiums paid, in no event shall the limit of liability for uninsured and underinsured motorist coverages for two or more motor vehicles be added together to determine the limit of insurance coverage available to an injured person for any one accident.

(7) The uninsured and underinsured motorist coverages required by this subdivision do not apply to bodily injury of the insured while occupying a motor vehicle owned by the insured, unless the occupied vehicle is an insured motor vehicle.

Sec. 2. Minnesota Statutes 1988, section 65B.49, subdivision 4a, is amended to read:

Subd. 4a. **LIABILITY ON UNDERINSURED MOTOR VEHICLES.** With respect to underinsured motor ~~vehicles coverage~~, the maximum liability of an insurer is ~~the lesser of the difference between the limit of underinsured motorist coverage and the amount paid to the insured by or for any person or organization who may be held legally liable for the bodily injury; or the amount of damages sustained but not recovered; from the insurance policy of the driver or owner of any underinsured at fault vehicle. If a person is injured by two or more vehicles, underinsured motorist coverage is payable whenever any one of those vehicles meets the definition of underinsured motorist vehicle in Minnesota Statutes, section 65B.43, subdivision 17. However, in no event shall the underinsured motorist carrier have to pay more than the amount of its underinsured motorist limits.~~

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective for all contracts issued or renewed on or after August 1, 1989, or for all injuries occurring on or after August 1, 1989, or for deaths occurring as the result of injuries sustained on or after August 1, 1989.

Presented to the governor May 19, 1989

Signed by the governor May 19, 1989, 12:21 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.