

## CHAPTER 60C

MINNESOTA INSURANCE GUARANTY  
ASSOCIATION ACT60C.03 Definitions.  
60C.04 Creation.60C.09 Covered claims.  
60C.10 Evaluation of claims.**60C.03 DEFINITIONS.***[For text of subds 1 to 7, see M.S.1980]*

Subd. 8. "Insolvent insurer" means an insurer licensed to transact insurance in this state, either at the time the policy was issued, or when the insured event occurred, and against whom an order of liquidation with a finding of insolvency has been entered after August 1, 1981 by a court of competent jurisdiction, in the insurer's state of domicile or of this state, under the provisions of chapter 60B, and which order of liquidation has not been stayed or been the subject of a writ of supersedeas or other comparable order.

**History:** 1981 c 260 s 1**60C.04 CREATION.**

All insurers subject to the provisions of Laws 1971, Chapter 145 shall form an organization to be known as the Minnesota insurance guaranty association. All insurers defined as member insurers in section 60C.03, subdivision 6, are and shall remain members of the association as a condition of their authority to transact insurance business or to execute surety bonds in this state. The association shall perform its functions under a plan of operation established and approved under section 60C.07 and shall exercise its powers through a board of directors established under section 60C.08. For purposes of administration and assessment the association shall be divided into five separate accounts: (1) the automobile insurance account, (2) the township mutuals account, (3) the fidelity and surety bond account, (4) the account for all other insurance to which Laws 1971, Chapter 145 applies, and (5) the workers' compensation insurance account.

**History:** 1981 c 346 s 35**60C.09 COVERED CLAIMS.**

Subdivision 1. **Definition.** A covered claim is any unpaid claim, including one for unearned premium, which:

- (a) Arises out of and is within the coverage of an insurance policy issued by a member insurer if such insurer becomes an insolvent insurer after August 1, 1981;
- (b) Arises out of a class of business which is not excepted from the scope of Laws 1971, Chapter 145 by section 60C.02; and
- (c) Is made by:
  - (i) A policyholder, or an insured beneficiary under a policy, who, at the time of the insured event, was a resident of this state; or
  - (ii) A person designated in the policy as having an insurable interest in or related to property situated in this state at the time of the insured event; or
  - (iii) An obligee or creditor under any surety bond, who, at the time of default by the principal debtor or obligor, was a resident of this state; or

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(iv) A third party claimant under a liability policy or surety bond, if: (a) the insured or the third party claimant was a resident of this state at the time of the insured event; (b) the claim is for bodily or personal injuries suffered in this state by a person who when he suffered the injuries was a resident of this state; or (c) the claim is for damages to real property situated in this state at the time of damage; or

(v) A direct or indirect assignee of a person who except for the assignment might have claimed under (i), (ii) or (iii).

Subd. 2. **Limitation of amount.** Payment of a covered claim is limited to the amount by which the allowance on any claim exceeds \$100 and is less than \$300,000. The limitation on the amount of payment for a covered claim does not apply to claims for workers' compensation insurance. In no event is the association obligated to the policyholder or claimant in an amount in excess of the obligation of the insurer under the policy from which the claim arises.

**History:** 1981 c 260 s 2; 1981 c 346 s 36

## 60C.10 EVALUATION OF CLAIMS.

*[For text of subd 1, see M.S.1980]*

Subd. 2. [Repealed, 1981 c 260 s 4]

Subd. 3. If the board finds that a claim for which the claimant has requested payment out of the fund is not a covered claim or the board reduces the amount of or rejects the claim, the board shall notify the claimant in writing of his rights under section 60C.12.

**History:** 1981 c 260 s 3