

## CHAPTER 65B

## AUTOMOBILE INSURANCE

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**65B.04 PLAN OF OPERATION.**

*[For text of subd 1a, see M.S.2000]*

Subd. 3. **Amendments.** The plan of operation may be amended by a majority vote of the governing committee and the approval of the commissioner. An order by the commissioner disapproving an amendment to the plan of operation must be issued within 30 days of receipt by the commissioner of the proposed amendment, certified by the governing committee as having been adopted by that committee by a majority vote, or the amendment shall be deemed approved by the commissioner. An order of disapproval may be appealed as provided in chapter 14.

*[For text of subd 4, see M.S.2000]*

**History:** 2001 c 215 s 29

**65B.05 POWER OF FACILITY, GOVERNING COMMITTEE.**

The governing committee shall have the power to direct the operation of the facility in all pursuits consistent with the purposes and terms of sections 65B.01 to 65B.12, including but not limited to the following:

(1) To sue and be sued in the name of the facility and to assess each member in accord with its participation ratio to pay any judgment against the facility as an entity, provided, however, that no judgment against the facility shall create any liabilities in one or more members disproportionate to their participation ratio or an individual representing members on the governing committee.

(2) To delegate ministerial duties, to hire a manager and to contract for goods and services from others.

(3) To assess members on the basis of participation ratios to cover anticipated costs of operation and administration of the facility.

(4) To impose limitations on cancellation or nonrenewal by members of insureds covered pursuant to placement through the facility in addition to the limitations imposed by chapter 72A and sections 65B.1311 to 65B.21.

**History:** 2001 c 7 s 16

**65B.06 DISTRIBUTION OF RISKS; COVERAGE.**

Subdivision 1. With respect to private passenger, nonfleet automobiles, the facility shall provide for the equitable distribution of qualified applicants to members in accordance with the participation ratio or among these insurance companies as selected under the provisions of the plan of operation.

*[For text of subds 2 and 3, see M.S.2000]*

Subd. 4. Coverage made available under this section shall be the automobile policy and endorsement forms, as approved by the commissioner, with such changes, additions and amendments as are adopted by the governing committee and approved by the commissioner.

**History:** 2001 c 215 s 30,31

**65B.09 AGENTS.**

Subdivision 1. **Agents' responsibility.** Every person licensed under sections 60K.30 to 60K.56 who is authorized to solicit, negotiate or effect automobile insurance on behalf of any member shall:

(1) offer to place coverage through the facility for any qualified applicant who is ineligible or unacceptable for coverage in the insurer or insurers for whom the agent is authorized to solicit, negotiate or effect automobile insurance. Provided, that the failure of an agent to make such an offer to a qualified applicant shall not subject the agent to any liability to the applicant;

(2) forward to the facility all applications and any deposit premiums which are required by the plan of operation, rules and procedures of the facility, if the qualified applicant accepts the offer to have coverage placed through the facility;

(3) be entitled to receive compensation for placing insurance through the facility at the uniform rates of compensation as provided in the plan of operation, and all members shall pay such compensation.

*[For text of subd 2, see M.S.2000]*

**History:** 2001 c 117 art 2 s 14

**NOTE:** The amendment to subdivision 1 by Laws 2001, chapter 117, article 2, section 14, is effective July 1, 2002. Laws 2001, chapter 117, article 2, section 19.

**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 so as to provide the named insured with at least 30 days' notice 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:** 2001 c 215 s 32

**65B.19 NOTICE OF CANCELLATION OR NONRENEWAL.**

*[For text of subd 1, see M.S.2000]*

Subd. 2. **Notice of right to complain.** When the insurer notifies the policyholder of nonrenewal, cancellation or reduction in the limits of liability of coverage under section 65B.16 or 65B.17, the insurer shall also notify the named insured of the right to complain within 30 days of receipt by the named insured of notice of nonrenewal, cancellation or reduction in the limits of liability to the commissioner of such action and of the nature of and possible eligibility for insurance through the Minnesota automobile insurance plan. Such notice shall be included in the notice of nonrenewal, cancellation or reduction in the limits of liability of coverage, and shall state that such notice of the insured's right of complaint to the commissioner and of the availability of insurance through the Minnesota automobile insurance plan is given pursuant to sections 65B.14 to 65B.21. The notice must state the name of the insurer and the date the notice is issued.

**History:** 2001 c 215 s 33

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

*[For text of subs 1 to 3, see M.S.2000]*

Subd. 3a. **Disability and income loss benefits election; senior citizens.** A plan of reparation security issued to or renewed with a person who has attained the age of 65 years must provide disability and income loss benefits under section 65B.44, subdivision 3, unless the insured elects not to have this coverage. An election by the insured not to have this coverage remains in effect until revoked by the insured. The reparation obligor shall notify a person of the person's rights under this section at the time of the sale or the first renewal of the policy after the insured has attained the age of 65 years, and at least annually after that. 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.

*[For text of subs 4 to 8, see M.S.2000]*

**History:** 1987 c 337 s 107; 2001 c 124 s 1,2

**65B.491** [Renumbered 65B.44 subd 3a]