

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 5348**

(SENATE AUTHORS: REST)

DATE  
04/08/2024

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Introduction and first reading  
Referred to Commerce and Consumer Protection

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to motor vehicle insurance; raising liability and uninsured and underinsured  
1.3 motorist coverage amounts; requiring motorcycle insurance to include uninsured  
1.4 and underinsured coverage; amending Minnesota Statutes 2022, sections 65B.48,  
1.5 subdivision 5; 65B.49, subdivisions 3, 3a.

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

1.7 Section 1. Minnesota Statutes 2022, section 65B.48, subdivision 5, is amended to read:

1.8 Subd. 5. **Motorcycle coverage.** (a) Every owner of a motorcycle registered or required  
1.9 to be registered in this state or operated in this state by the owner or with the owner's  
1.10 permission shall provide and maintain security for the payment of tort liabilities arising out  
1.11 of the maintenance or use of the motorcycle in this state. Security may be provided by a  
1.12 contract of liability insurance complying with section 65B.49, ~~subdivision~~ subdivisions 3  
1.13 and 3a, or by qualifying as a self insurer in the manner provided in ~~subdivision~~ subdivisions  
1.14 3 and 3a.

1.15 (b) At the time an application for motorcycle insurance without personal injury protection  
1.16 coverage is completed, there must be attached to the application a separate form containing  
1.17 a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten  
1.18 that states:

1.19 "Under Minnesota law, a policy of motorcycle coverage issued in the State of Minnesota  
1.20 must provide liability coverage only, and there is no requirement that the policy provide  
1.21 personal injury protection (PIP) coverage in the case of injury sustained by the insured.  
1.22 No PIP coverage provided by an automobile insurance policy you may have in force  
1.23 will extend to provide coverage in the event of a motorcycle accident."

2.1 Sec. 2. Minnesota Statutes 2022, section 65B.49, subdivision 3, is amended to read:

2.2 Subd. 3. **Residual liability insurance.** (1) Each plan of reparation security shall also  
2.3 contain stated limits of liability, exclusive of interest and costs, with respect to each vehicle  
2.4 for which coverage is thereby granted, of not less than ~~\$30,000~~ \$60,000 because of bodily  
2.5 injury to one person in any one accident and, subject to said limit for one person, of not less  
2.6 than ~~\$60,000~~ \$120,000 because of injury to two or more persons in any one accident, and,  
2.7 if the accident has resulted in injury to or destruction of property, of not less than ~~\$10,000~~  
2.8 \$20,000 because of such injury to or destruction of property of others in any one accident.

2.9 (2) Under residual liability insurance the reparation obligor shall be liable to pay, on  
2.10 behalf of the insured, sums which the insured is legally obligated to pay as damages because  
2.11 of bodily injury and property damage arising out of the ownership, maintenance or use of  
2.12 any motor vehicle, including a motor vehicle permissively operated by an insured as that  
2.13 term is defined in section 65B.43, subdivision 5, if the injury or damage occurs within this  
2.14 state, the United States of America, its territories or possessions, or Canada. A reparation  
2.15 obligor shall also be liable to pay sums which another reparation obligor is entitled to recover  
2.16 under the indemnity provisions of section 65B.53, subdivision 1.

2.17 (3) Every plan of reparation security shall be subject to the following provisions which  
2.18 need not be contained therein:

2.19 (a) The liability of the reparation obligor with respect to the residual liability coverage  
2.20 required by this clause shall become absolute whenever injury or damage occurs; such  
2.21 liability may not be canceled or annulled by any agreement between the reparation obligor  
2.22 and the insured after the occurrence of the injury or damage; no statement made by the  
2.23 insured or on the insured's behalf and no violation of said policy shall defeat or void said  
2.24 policy.

2.25 (b) The satisfaction by the insured of a judgment for such injury or damage shall not be  
2.26 a condition precedent to the right or duty of the reparation obligor to make payment on  
2.27 account of such injury or damage.

2.28 (c) The reparation obligor shall have the right to settle any claim covered by the residual  
2.29 liability insurance policy, and if such settlement is made in good faith, the amount thereof  
2.30 shall be deductible from the limits of liability for the accident out of which such claim arose.

2.31 (d) Except as provided in subdivision 5a, a residual liability insurance policy shall be  
2.32 excess of a nonowned vehicle policy whether the nonowned vehicle is borrowed or rented,  
2.33 or used for business or pleasure. A nonowned vehicle is one not used or provided on a  
2.34 regular basis.

3.1 Sec. 3. Minnesota Statutes 2022, section 65B.49, subdivision 3a, is amended to read:

3.2 Subd. 3a. **Uninsured and underinsured motorist coverages.** (1) No plan of reparation  
3.3 security may be renewed, delivered or issued for delivery, or executed in this state with  
3.4 respect to any motor vehicle registered or principally garaged in this state unless separate  
3.5 uninsured and underinsured motorist coverages are provided therein. Each coverage, at a  
3.6 minimum, must provide limits of ~~\$25,000~~ \$50,000 because of injury to or the death of one  
3.7 person in any accident and ~~\$50,000~~ \$100,000 because of injury to or the death of two or  
3.8 more persons in any accident. In the case of injury to, or the death of, two or more persons  
3.9 in any accident, the amount available to any one person must not exceed the coverage limit  
3.10 provided for injury to, or the death of, one person in any accident.

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

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

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

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

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

3.33 (6) Regardless of the number of policies involved, vehicles involved, persons covered,  
3.34 claims made, vehicles or premiums shown on the policy, or premiums paid, in no event

4.1 shall the limit of liability for uninsured and underinsured motorist coverages for two or  
4.2 more motor vehicles be added together to determine the limit of insurance coverage available  
4.3 to an injured person for any one accident.

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

4.7 ~~(8) The uninsured and underinsured motorist coverages required by this subdivision do~~  
4.8 ~~not apply to bodily injury of the insured while occupying a motorcycle owned by the insured.~~

4.9 Sec. 4. **EFFECTIVE DATE.**

4.10 Sections 1 to 3 are effective August 1, 2024, and apply to policies of motor vehicle and  
4.11 motorcycle coverage offered, issued, or renewed on or after that date.