

spray and otherwise eradicate wild hemp, commonly known as marijuana, on private property within the county. The county board of any county may authorize the use of county equipment, personnel and supplies and materials in spraying or otherwise eradicating wild hemp on such private property, and may pro rate the expenses involved between the county and owner or occupant thereof.

Approved June 4, 1971.

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## CHAPTER 813—H.F.No.2143

[Coded in Part]

*An act relating to insurance; authorizing an organization of certain insurers to be known as the Minnesota automobile insurance plan; prescribing its powers and duties and the powers and duties of its members; prescribing certain powers and duties of the commissioner of insurance; insuring certain automobile insurance coverage; amending Minnesota Statutes 1969, Sections 72A.141, Subdivision 1; and 72A.146.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. [65B.01] INSURANCE; MINNESOTA AUTOMOBILE INSURANCE PLAN; PURPOSES, CONSTRUCTION AND SCOPE. Subdivision 1. PURPOSE.** The purposes of this act are to provide the guarantee that automobile insurance coverage will be available to any person who is unable to procure such insurance through ordinary methods by providing a facility for the placement of automobile insurance risks with insurers, and to preserve to the public the benefits of price competition by encouraging maximum use of the normal private insurance system. This act shall be liberally construed to effect the purposes stated.

**Subd. 2. SCOPE AND MEMBERSHIP.** Every insurer authorized to write and writing automobile bodily injury liability, property damage liability or physical damage insurance in this state, as a condition precedent to being licensed or to retain such license to write such insurance in this state, shall be a member of the facility and shall participate therein under the terms and provisions of this act. Every such insurer shall be a member of such a facility on a date specified by the commissioner of insurance.

**Sec. 2. [65B.02] DEFINITIONS. Subdivision 1.** Unless the language or context clearly indicates a different meaning is intended,

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the following terms shall, for the purposes of this act, have the meanings ascribed to them.

Subd. 2. "Qualified applicant" means a person who:

(1) Is a resident of this state,

(2) Owns a motor vehicle registered in accordance with the laws of this state, or has a valid drivers' license, or is required to file proof of financial responsibility with the commissioner of public safety in accordance with the provisions of Minnesota Statutes, Chapter 170, and

(3) Has no unpaid premiums with respect to prior automobile insurance.

Subd. 3. "Facility" means the organization formed by insurers to carry out the purposes provided in section 1, subdivision 1, and shall be known as the Minnesota automobile insurance plan.

Subd. 4. "Participating member" means an insurer who is required by this act to be a member of the facility and who in the second preceding calendar year, has written automobile insurance in this state.

Subd. 5. "Car years" means the number of insurance policies written on automobile or licensed drivers by a given insurer in any calendar year; and "voluntary car years" means the number of such policies written by a given insurer, exclusive of policies written through the facility.

Subd. 6. "Private passenger non-fleet automobile" means motorized vehicles designed for transporting passengers or goods, subject to specific contemporary definitions for insurance purposes as provided in the plan of operation.

Subd. 7. "Participation ratio" means the ratio of the participating member's Minnesota premiums, or other measure of business written approved by the commissioner, in relation to the comparable statewide totals for all participating members.

(1) For private passenger non-fleet automobile insurance coverages the participation ratio shall be based on voluntary car years written in this state for the calendar year ending December 31 of the second prior year, as reported by the statistical agent of each participating member as private passenger non-fleet exposures.

(2) For insurance coverages on all other automobiles, including insurance for fleets, commercial vehicles, public vehicles and garages, the ratio shall be based on the total Minnesota gross, direct automobile insurance premiums written, including both policy and

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membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, and less the amount of such premiums reported as received for insurance on private passenger non-fleet vehicles, for the calendar year ending December 31 of the second prior year.

(3) For the purpose of determining each participating member's responsibility for expenses and assessments, the ratio shall be based on each participating member's total Minnesota car years and gross, direct premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, for the calendar year ending December 31 of the second prior year.

Subd. 8. "Commissioner" means the commissioner of insurance or one properly acting in the capacity of the commissioner of insurance.

Sec. 3. [65B.03] GOVERNING COMMITTEE. Subdivision 1. MEMBERSHIP. Within 15 days after the effective date of this act, the commissioner shall direct that a ballot be mailed, returnable within 15 days from the date of mailing, to every insurer subject to this act, for the election of a five-member facility governing committee. Each member of the governing committee shall be a participating member and one member shall be elected from each of the following classifications of insurers:

- (1) Insurance services office;
- (2) Mutual insurance rating bureau;
- (3) National association of independent insurers;
- (4) All other stock companies;
- (5) All other non-stock companies.

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. The commissioner of insurance or his designee shall be an ex officio member of the governing committee.

Subd. 2. TERMS OF OFFICE. The committee so elected shall become the initial governing committee of the facility, effective with the adoption of a plan of operation and its approval by the commissioner. Thereafter, the governing committee shall be elected to serve annual terms. Vacancies shall be filled as provided in the plan of operation.

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**Sec. 4. [65B.04] PLAN OF OPERATION. Subdivision 1. ADOPTION; APPROVAL BY COMMISSIONER.** The initial governing committee shall adopt a plan of operation by majority vote of the committee and shall submit it to the commissioner for approval. If the commissioner finds that the plan of operation meets the requirements of this act, he shall approve it and it will then be in effect. If he finds that the plan fails to meet the requirements of this act the commissioner shall disapprove the plan, returning it to the governing committee with his statement on the deficiencies which have caused him to disapprove the plan, and the governing committee shall have ten days within which to correct the deficiencies. If the plan is not returned for approval within ten days or if, on return, the commissioner determines that it does not meet the requirements of this act, the commissioner shall amend the plan which was submitted by the governing committee to comply with this act and shall, by order, effect the plan of operation. The action of the commissioner may be reviewed on a writ of certiorari from the district court for Ramsey county.

**Subd. 2. FAILURE TO SUBMIT PLAN.** If the governing committee fails to submit a plan of operation within 45 days after the effective date of this act, the commissioner shall prepare a plan of operation in accordance with this act as to the procedural aspects of the operation of the facility, and as to coverages to be provided at a rate level which is deemed to be reasonable, adequate and fair. A plan of operation prepared pursuant to this subdivision shall become effective when the commissioner so orders.

**Subd. 3. AMENDMENTS.** The plan of operation may be amended by a majority vote of the governing committee, the approval of the commissioner and ratification by a majority of the participating members. An order by the commissioner disapproving an amendment to the plan of operation must be issued within 30 days of his receipt 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 reviewed as provided in subdivision 1.

**Subd. 4. ADHERENCE TO PLAN.** Every insurer authorized to write and writing automobile bodily injury liability, property damage liability or physical damage insurance in this state, as a condition to maintaining its authorization to transact the business of insurance in this state, shall adhere to the plan of operation.

**Sec. 5. [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 this act, including but not limited to the following:

**Changes or additions indicated by underline, deletions by ~~strikeout~~.**

(1) To sue and be sued in the name of the facility and to assess each participating 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 participating members disproportionate to their participation ratio or an individual representing participating 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 participating 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 non-renewal by participating members of insureds covered pursuant to placement through the facility in addition to the limitations imposed by Minnesota Statutes, Chapter 72A.

**Sec. 6. [65B.06] DISTRIBUTION OF RISKS; COVERAGE.**  
**Subdivision 1.** With respect to private passenger, non-fleet automobiles, the facility shall provide for the equitable distribution of qualified applicants to participating members in accordance with the participation ratio.

Subd. 2. With respect to private passenger, non-fleet automobiles, the facility shall provide for the issuance of policies of automobile insurance by participating members with coverage as follows:

(1) The participating members must provide bodily injury liability and property damage liability coverage in the minimum amounts specified in Minnesota Statutes, Chapter 170; and

(2) The participating members must provide uninsured motorists coverage as required by Minnesota Statutes, Section 72A.149;

(3) The participating members must make available to all qualified applicants a reasonable selection of additional limits of liability coverage up to fifty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to such limit for one person, up to one hundred thousand dollars because of bodily injury to or death of two or more persons in any one accident, and up to ten thousand dollars because of injury to or destruction of property of others in any one accident, and corresponding higher limits of uninsured motorist coverage as required by Minnesota Statutes, Section 72A.149; and

(4) The participating members must make available to all qualified applicants medical payments coverage with a reasonable

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selection of limits, in accordance with Minnesota Statutes, Section 72A.1494 (c); and

(5) The participating members must make available to all qualified applicants automobile physical damage coverage, including coverage of loss by collision, subject to optional deductibles.

Provided that no coverage available under (5) of this subdivision (physical damage) shall be provided by a carrier that has been licensed to provide the coverage made available under (1), (2) and (3) of this subdivision, unless the qualified applicant has requested coverage pursuant to (1), (2) and (3) as well as physical damage coverage. If a qualified applicant requests only physical damage coverage, such coverage shall be provided by an insurer not licensed to provide the coverage specified in clauses (1), (2) and (3) of this subdivision.

Subd. 3. With respect to all automobiles not included in subdivisions 1 and 2, the facility shall provide:

(1) Only the insurance coverage required by law;

(2) For the equitable distribution of qualified applicants for this coverage among the participating members in accord with the applicable participation ratio.

Subd. 4. Coverage made available under this section shall be the standard 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.

**Sec. 7. [65B.07] OTHER PROVISIONS AND FUNCTIONS.**  
Subdivision 1. The facility shall provide one or more optional deferred payment plans, which shall include sufficient advance payment to, at all times, equal at least the pro rata earned premium, and such plans shall include additional charges for deferred payments.

Subd. 2. On any coverage placed through the facility, the facility shall allow the use of endorsement, approved by the commissioner, to exclude coverage in cases where a named person is driving the insured vehicle without a valid drivers' license or when his drivers' license has been revoked or suspended.

Subd. 3. The facility shall provide for publicizing its purposes and developing public understanding of the facility.

Subd. 4. The facility shall provide annual financial statements on the facility's operation to all participating members and to the commissioner.

Subd. 5. The facility shall provide for the reinsurance of risks placed through the facility, including, if desired, a pool for reinsuring

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liability coverages with limits in excess of those required by statute, or such other underwriting arrangements as may be necessary to enable participating members to offer such excess limits of liability insurance.

Sec. 8. [65B.08] RATES. Subdivision 1. FILING. As agent for participating members, the facility shall file with the commissioner all manuals of classification, all manuals of rules and rates, all rating plans, and any modifications of same, proposed for use for private passenger non-fleet automobile insurance placed through the facility. The classifications, rules and rates and any amendments thereto shall be subject to prior written approval by the commissioner. Rates, surcharge points, and increased limits factors filed by the facility shall not be excessive, inadequate, or unfairly discriminatory. No other entity, service or organization shall make filings for the facility or the participating members to apply to insurance placed through the facility.

Subd. 2. USE OF RATES. Every participating member shall be authorized to use the rates and rules approved by the commissioner for use by the facility on business placed through the facility, and shall use no other rates on private passenger non-fleet automobiles placed through the facility.

Subd. 3. FACILITY EXEMPT. Laws relating to rating organizations or advisory organizations shall not apply to functions provided for under this section.

Sec. 9. [65B.09] AGENTS. Subdivision 1. AGENTS' RESPONSIBILITY. Every agent who is authorized to solicit, negotiate or effect automobile insurance on behalf of any participating 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 his coverage placed through the facility;

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

Subd. 2. AGENTS' CONTRACTS. A participating member may not include the premiums and losses incurred from risks insured

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through the facility in determining the loss ratio of any of its agents, or otherwise use the experience from such risks as cause for altering the relationship between the participating member and its agent.

**Sec. 10. [65B.10] ELIGIBILITY. Subdivision 1. ELIGIBILITY FOR COVERAGE.** To be eligible for coverage through the facility an otherwise qualified applicant must have been rejected, cancelled or refused renewal with respect to automobile insurance by a participating member.

**Subd. 2. TERMINATION OF ELIGIBILITY.** Eligibility for placement through the facility will terminate if an insured is offered equivalent coverage in the voluntary market at a rate lower than the facility rate. If the participating member that is required to provide coverage by the facility makes such an offer after giving 30 days' advance written notice to the agent of record before making the offer, the participating member shall have no further obligation to the agent of record.

**Subd. 3. REVIEW OF INSUREDS.** At least annually, every participating member shall review every applicant which it insures through the facility and determine whether or not such applicant is acceptable for voluntary insurance at a rate lower than the facility rate. If such applicant is acceptable, the participating member shall make an offer to the applicant to insure him under voluntary coverage at such lower rate.

**Sec. 11. [65B.11] USE OF THE FACILITY BY THE PUBLIC.** If, upon a formal hearing, the commissioner finds that a large proportion of qualified and eligible persons are failing to gain the benefits of the facility, the facility shall provide service to assist the public in making application to the facility for placement.

**Sec. 12. [65B.12] RIGHT TO HEARING; CONSTRUCTION OF PLAN OF OPERATION. Subdivision 1. HEARING.** 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 directly affecting its assessment, premium or coverage furnished, provided that such right to hearing shall not apply to any claim arising out of insurance provided by any participating member. Such 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 such 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

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ruling. Such a hearing shall be governed by the procedures for contested cases.

Subd. 4. Upon a hearing pursuant to this act, 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. 5. **CONSTRUCTION OF PLAN OF OPERATION.** The plan of operation shall be interpreted to conform to the laws of this state with respect to automobile insurance coverage and any changes therein, unless the facility is specifically excluded from the applicability of such laws.

Sec. 13. Minnesota Statutes 1969, Section 72A.141, Subdivision 1, is amended to read:

**72A.141 CANCELLATION OR NON-RENEWAL OF AUTOMOBILE POLICIES; DEFINITIONS.** Subdivision 1. "Policy of automobile liability insurance" means a policy delivered or issued for delivery in this state, insuring a natural person as named insured, and any relative or relatives of the named insured who is a resident of the same household covering automobiles owned by the insured of (a) the private passenger type, including a private passenger, station wagon or jeep type automobile not used as a public or livery conveyance for passengers, nor rented to others, or (b) the utility automobile type which shall mean any other four-wheel vehicle whether having a pick-up, sedan delivery, or panel truck type body ~~with a load capacity of 1500 pounds or less~~ not used primarily in the occupation, profession or business of the insured other than farming or ranching; provided, however, that sections 72A.141 to 72A.148 shall not apply to any policy of automobile liability insurance: (1) issued under ~~an automobile assigned risk plan~~ the Minnesota automobile insurance plan; (2) insuring more than four automobiles; or (3) covering garage, automobiles sales agency, repair shop, service station or public parking place operation hazards; and, provided further, that sections 72A.141 to 72A.148 shall apply only to that portion of an automobile liability policy insuring against bodily injury and property damage liability and to the provisions therein, if any, relating to medical payments, and uninsured motorists coverage, accidental death, and disability coverages.

Sec. 14. Minnesota Statutes 1969, Section 72A.146, is amended to read:

**72A.146 NOTICE OF RIGHT TO COMPLAIN.** When the insurer notifies the policyholder of non-renewal, cancellation or reduction in the limits of liability of coverage, the insurer shall also notify the named insured of his right to complain within seven days of his receipt of notice of non-renewal, cancellation or reduction in the limits of liability to the commissioner of such action and of the nature

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of and his possible eligibility for insurance through the ~~automobile assigned risk plan~~ Minnesota automobile insurance plan. Such notice shall accompany or be included in the notice of non-renewal, 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 ~~the automobile assigned risk plan~~ insurance through the Minnesota automobile insurance plan is given pursuant to sections 72A.141 to 72A.148.

Sec. 15. EFFECTIVE DATE. This act shall take effect July 1, 1971.

Approved June 4, 1971.

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#### CHAPTER 814—H.F.No.2184

[Not Coded]

*An act relating to the salary of the probate judge of the county of St. Louis.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. ST. LOUIS COUNTY PROBATE COURT; SALARY OF JUDGE.** Notwithstanding any law to the contrary, the salary of each judge of probate of the county of St. Louis is \$24,000.

**Sec. 2.** This act is effective July 1, 1971.

Approved June 4, 1971.

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#### CHAPTER 815—H.F.No.2237

[Not Coded]

*An act relating to the conveyancing of real property in the county of Carver; providing for approval of conveyancing instruments by a county zoning and platting officer.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. CARVER COUNTY; CONVEYANCING.** The county of Carver may by ordinance adopt regulations governing the platting of subdivision of lands as authorized by section 505.11, and,

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