

Subd. 2. "Monthly base pay" means the highest monthly salary earned by the member, exclusive of any overtime pay or special allowances.

Subd. 3. All leaves of absence of more than 90 days, except those which are granted to a member because of his disability due to sickness or accident, shall be excluded in computing the period of service. No deductions shall be made for a leave of absence granted to a member to enable him to accept an appointive position in the police department not subject to the provisions of Minnesota Statutes, Sections 423.41 to 423.62. No member shall be entitled to draw both a disability and a service pension.

Sec. 2. **MEMBER RETIRING AFTER SERVING 15 YEARS BUT HAS NOT REACHED RETIREMENT AGE.** A member of the association who has completed a period, or periods of service, as a policeman in the police department of the city equal to 15 years or more, but has not reached the age of 50 years, shall have the right to retire from the department without forfeiting his right to a service pension. He shall, upon application, be placed on the deferred pension roll of the association, and, after he has reached the age of 50 years, the association shall, upon application therefor, pay his pension from the date the application is approved by the association.

Sec. 3. **EMPLOYEE CONTRIBUTION.** The employee contribution shall be eight percent of salary of the member.

Sec. 4. This act is effective upon approval by the governing body of the city of Crookston and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 26, 1977.

CHAPTER 276—H.F.No.672

An act relating to insurance; providing for determination of the participation ratio; providing for higher limits of liability coverage and uninsured motorist coverage; amending Minnesota Statutes 1976, Sections 65B.02, Subdivision 7; 65B.06, Subdivision 2; and 65B.49, Subdivision 6.

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

Section 1. Minnesota Statutes 1976, Section 65B.02, Subdivision 7, is amended to read:

Subd. 7. **AUTOMOBILE INSURANCE; LIABILITY LIMITS.** "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

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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 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, provided, however, that the preliminary determination of each participating member's responsibility for expenses and assessments may use the calendar year ending December 31 of the third prior year.

Sec. 2. Minnesota Statutes 1976. Section 65B.06, Subdivision 2, is amended to read:

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 ~~this chapter section 65B.49, subdivision 3; and~~

(2) ~~The participating members must provide~~ Uninsured motorists coverage as required by section ~~65B.63 65B.49, subdivision 4; and~~

(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, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner, and corresponding higher limits of uninsured motorist coverage as required by section ~~65B.63 65B.49, subdivision 6; and~~

(4) ~~The participating members must make available to all qualified applicants~~ Additional medical payments coverage with a reasonable selection of limits expense benefits and other optional coverages, in accordance with section ~~65B.44 65B.49, subdivision 6, and other optional coverages as recommended by the governing committee and approved by the commissioner; and~~

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(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 clause (5) of this subdivision (~~physical damage~~) shall be provided by a carrier that has been licensed to provide the coverage made available under clause (1); or (2) and (3) of this subdivision, unless the qualified applicant has requested coverage pursuant to clause (1); or (2) and (3) as well as physical damage coverage. If a qualified applicant requests only physical damage coverage, ~~such~~ the coverage shall be provided by an insurer not licensed to provide writing the coverage specified in clauses (1); and (2) and (3) of this subdivision.

Sec. 3. Minnesota Statutes 1976, Section 65B.49, Subdivision 6, is amended to read:

Subd. 6. **MANDATORY OFFER; ADDED COVERAGE.** Reparation obligors shall offer the following optional coverages in addition to compulsory coverages:

- (a) Medical expense benefits subject to a maximum payment of \$10,000;
- (b) Medical expense benefits subject to a maximum payment of \$20,000;
- (c) Residual bodily liability coverage of not less than \$25,000 for damages for injury to one person in any one accident arising out of the maintenance or use of a motor vehicle, subject to a limitation of \$50,000 for damages arising out of any one accident;
- (d) Basic economic loss benefits to all persons purchasing liability coverage for injuries arising out of the maintenance or use of a motorcycle; ~~and~~
- (e) Underinsured motorist coverage whereby subject to the terms and conditions of ~~such~~ coverage the reparation obligor agrees to pay its insureds for such uncompensated damages as they are legally entitled to recover on account of a motor vehicle accident because the total damages they are legally entitled to recover exceed the residual bodily injury liability limit of the owner of the other vehicle, to the extent of the residual bodily injury liability limits on the motor vehicle of the person legally entitled to recover or such smaller limits as he may select less the amount paid by the reparation obligor of the person against whom he is entitled to recover. His reparation obligor shall be subrogated to any amounts it pays and upon payment shall have an assignment of the judgment if any against the other person to the extent of the money it pays; and
- (f) Uninsured motorist coverage in addition to the minimum limits specified in subdivision 4, so as to provide total limits of uninsured motorist coverage equal to the residual bodily injury liability limits of the policy, or smaller limits as the insured may select. This coverage may be offered in combination with the coverage under clause (e).

Sec. 4. This act takes effect the day following final enactment.

Approved May 26, 1977.

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