



Hearing Before the Minnesota House Commerce Committee  
HF 2215 – Minnesota Lifeline Auto Insurance Program

Madam Chair and Members of the Committee,

Thank you for the opportunity to provide my testimony today. My name is Bill Butler, and I serve as a board member of the Independent Insurance Agents and Brokers Association of Minnesota and am President of Butler & Associates Insurance Agency. I have been a licensed insurance agent in Minnesota for over 20 years, working directly with consumers to ensure they have the proper coverage to protect themselves and their families.

While I support efforts to expand access to affordable auto insurance, HF 2215 removes critical protections, putting low-income drivers at serious financial risk.

### **The Importance of Personal Injury Protection (PIP)**

Personal Injury Protection (PIP) is the cornerstone of Minnesota's no-fault auto insurance system, ensuring that drivers, passengers, and even pedestrians have immediate medical and financial protection after an accident—regardless of fault.

The Lifeline Auto Insurance Bill eliminates PIP, stripping away coverage for:

- Medical Coverage – Covers hospital bills, prescriptions, and rehabilitation costs.
- Work Loss Coverage – Replaces lost wages for injured workers and self-employed business owners.
- Essential Services – Pays for household tasks like cleaning, childcare, and home maintenance when an injured person is unable to perform them.

### **The Cost of PIP vs. The Cost of Removing It**

In preparation for today's hearing, I reviewed 50 random clients with 95 insured vehicles through one of my auto insurance carriers. Those 50 clients paid only \$13,270 annually for PIP—just \$11.64 per car, per month.

For less than \$12 per month, per car, PIP prevents financial loss after an accident by covering expenses that would otherwise fall on consumers, regardless of who is at fault. Removing PIP will force injured individuals to rely on health insurance alone, which often comes with deductibles and co-pays—leaving them with significant out-of-pocket expenses.



### **Low Liability Limits Leave Drivers Unprotected**

For my entire career, I have been taught to offer higher insurance limits—not less—because state minimum limits rarely cover the full cost of an accident.

I have seen firsthand how low liability limits leave Minnesota drivers financially exposed. In more than once instance my clients have been involved in accidents where the at-fault driver's state minimum auto insurance ran out before all claim costs were covered, leaving my client responsible for thousands of dollars in unpaid bills. My clients were then forced to file claims on their own insurance or absorb the costs themselves.

### **HF 2215 Eliminates Essential Coverage for Minimal Savings**

In risk management, we say, "Don't risk a lot for a little." This bill does exactly that—eliminating essential coverage for minimal cost savings.

As demonstrated by my 50-client sample, removing PIP would only save my clients an average of \$12 per month per car, which does not come close to offsetting the financial risk of removing this coverage would have for them.

### **Recommendation to the Committee**

I urge the committee not to move forward with this bill as offered. Instead, I encourage legislators to work with industry partners like the Minnesota Independent Insurance Agents and Brokers Association to explore sustainable and affordable insurance solutions for low-income Minnesotans that do not leave them unprotected after an accident.

Thank you for your time and consideration. I welcome any questions.

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