

HOUSE RESEARCH

Bill Summary

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Subject: Limits on right of uninsured drivers to sue to receive compensation for certain injuries

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Overview

This bill would make changes in how Minnesota's system of motor vehicle insurance works. The changes involve eliminating the right to sue to be compensated for "noneconomic detriment" in certain circumstances. "Noneconomic detriment" means nonmonetary losses, such as pain and suffering, inconvenience, physical impairment, disfigurement, and other similar losses (as compared to medical expenses, lost earnings, and burial costs, which are considered "economic detriment"). Under current law, an injured person has the right to sue to receive compensation for noneconomic detriment, if the economic costs of medical care resulting from the accident exceed \$4,000 or if the injury results in death, permanent disfigurement or injury, or a disability that lasts at least 60 days.

- 1** **Limitation of damages for noneconomic detriment.** (d) Provides that a person injured in a motor vehicle accident cannot recover damages for noneconomic detriment if:
- (1) the person is convicted of being impaired by alcohol or a controlled substance at the time of the accident;
 - (2) the person was the owner of an uninsured vehicle involved in the accident; or
 - (3) the person was operating a vehicle involved in the accident and did not have proof of financial responsibility (probably means liability coverage through motor vehicle insurance or proof of self-insurance under section 65B.48, subd. 3).
- (e) Provides that an insurer is not liable under a policy of liability or uninsured motorist coverage to pay for noneconomic losses of a person described in (d) above, except as provided in (f) below.
- (f) An injured person may recover for noneconomic losses, even if the injured person is described in (e)(2) above, if the person who caused the injury has been convicted of driving while impaired by alcohol or illicit drugs at the time. Based on language in paragraph (c), the insurance company of the impaired person who caused the injury apparently has to pay the claim unless excluded under the policy.

- 2** **Penalty.** Increases the minimum penalty for not having motor vehicle insurance from \$200 to \$600, effective January 1, 2012.
- 3** **Title.** Says this bill shall be called the Fairness for Responsible Drivers Act.