# HOUSE RESEARCH

# Bill Summary

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**Authors:** Loon and others

**Subject:** Auto insurance no-fault medical, wage loss, and death benefits

**Analyst:** Tom Pender (651) 296-1885

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## Overview

This bill makes changes in laws that specify the no-fault auto insurance benefits available to auto accident victims. The bill tightens up medical expense coverage for soft tissue injuries, increases the maximum weekly payment for wage loss, and increases the maximum payment for funeral and burial expenses. In most situations, these are benefits that a person receives from the person's own insurance company, regardless of who caused the accident. That's why these benefits are referred to as "no-fault."

1 **Inclusions.** Provides that the cost of diagnosing and treating soft tissue injuries will be covered by no-fault auto insurance only if the diagnosis and treatment protocols used in the Minnesota Department of Labor and Industry worker's compensation medical protocols are followed. Specifies that the term "soft tissue injury" includes certain procedure codes specified in the worker's compensation rules. The purpose is to cover only diagnosis and treatment that is considered appropriate and cost-effective.

2 **Disability and income loss benefits.** Increases the maximum weekly payment of no-fault benefits to compensate for wage loss caused by an accident from $250 to $500. The compensation cannot exceed 85 percent of the wage loss; in other words, there is a 15 percent deductible. (The most recent increase in the weekly maximum was an increase from $200 to $250 in 1985.)

3 **Funeral and burial costs.** Increases the maximum payment of no-fault benefits for funeral and burial costs, including cremation or organ donation, from $2,000 to $5,000. This dollar amount was last increased in 1985, from $1,250.