

NO-FAULT

Your Rights Under Minnesota's No-Fault Insurance Law.

The Minnesota No-Fault Act controls the rights and benefits of people injured in motor vehicle accidents. This page explains your rights under the No-Fault Act, and how to obtain your benefits.

What is No-Fault?

No-Fault Insurance pays for most out-of-pocket losses, such as medical and chiropractic bills, lost-wages and many other types of out-of-pocket loss. It doesn't matter who caused the accident. People with serious injuries may also recover from a negligent driver for their other losses, such as pain, suffering, disability, embarrassment, and other losses. Because the No-Fault Law is complicated, this pamphlet can only provide a brief summary. **ALWAYS talk to an attorney if you or a family member are hurt in an accident.**

Who is Required to Have Minnesota No-Fault Automobile Insurance?

All Minnesota motor vehicle owners must have No-Fault insurance except motorcycles, which only need liability coverage. You will need to have proof of insurance to obtain or renew your license plates. It is a misdemeanor criminal offense if you drive or let anyone else drive your vehicle without insurance.

What Coverages are Required?

The insurer must provide the following minimum coverages:

1. **Bodily Injury Liability (BI):** \$30,000 per person, \$60,000 per accident. This is the coverage that covers you if you cause an accident and injure someone.
2. **Property Damage Liability (PD):** \$10,000 per accident. Pays for damages to the other car or other property if you cause an accident.
3. **Uninsured and Underinsured Motorist (UM/UIM):** \$25,000 per person, \$50,000 per accident. This is coverage for you and your family if you are injured by a person without insurance or without enough insurance.
4. **Personal Injury Protection (PIP):** Also called No-Fault benefits:

Medical Expense Benefits: \$20,000 per person. This covers almost every type of treatment available, and you can choose your own doctors. The insurer must pay your transportation costs or mileage to and from treatment.

Work Loss and Replacement Service Benefits: \$20,000 per person, which covers:

Wage Loss: 85% of your gross lost income up to \$250 per week. This includes lost wages while getting treatment.

Replacement Services: up to \$200 per week (starting one week after the accident) to pay for household help such as housecleaning, snow shoveling and yard work. An injured "primary homemaker" receives payment for lost services, even if there is no out of pocket loss.

Death Benefits: Lost wages up to \$200 per week, replacement services up to \$200 per week and funeral costs up to \$2,000.

These are the minimum coverages. You may buy higher coverages. If you own more than one vehicle, your insurer must offer to sell you **No-Fault stacking**, which multiplies all the No-Fault benefit limits.

Other Optional Coverages You May Want to Have:

1. **Collision:** Pays for damage to your car from an accident, no matter who caused the accident.
2. **Comprehensive:** Pays for damage to your automobile caused by fire, theft, vandalism and other perils.

What Should You Do If You Are Injured in an Automobile Accident?

1. Report the accident to the police immediately. Any involved driver must exchange identification and vehicle registration information. The law also requires helping an injured person.
2. Get medical care for your injuries.
3. If there is an injury, or property damage of \$1,000 or more, a driver must fill out an accident report and mail it to the Commissioner of Public Safety.
4. Report the accident and your injuries to your insurance company in writing immediately. Early notification will speed payments for medical expenses, wage loss and other benefits. If it takes longer than six months to report injuries, your insurance company may try to deny benefits.
5. Don't give a written or tape recorded statement to any insurance company without talking to a lawyer first.
6. **Talk to a lawyer as soon as possible.**

Which Company Pays Your No-Fault Benefits?

Generally you collect from your own company. If you are in a commercial vehicle, usually you collect from the commercial vehicle's insurance.

Even if you don't have coverage of your own, you can usually apply to have coverage assigned to you. This can get very complex, so call a lawyer if you have questions.

How to Collect No-Fault Benefits?

1. Report the accident and your injuries to your insurer immediately. Fill out an "Application for Benefits" form. There will usually be medical and employment authorization forms attached. The law may require you to sign authorizations for your insurer, but you should always check with an attorney.
2. Report your losses to your insurer in writing. If you can, send copies of medical bills, proof of lost wages, and check stubs for prescriptions, replacement services, etc.
3. Your insurer may ask that you be examined by a doctor of their choice. *Consult an attorney immediately.* The physical examination must usually take place in your home town.
4. You should see a doctor for your injuries at least once per year. If you skip all treatment for a full year, the insurer may be able to deny any more benefits.

When Can You Make A Claim for Personal Injury Against the Other Insurance Company?

If you have an injury, you may deserve compensation for losses No-Fault benefits don't cover. These include pain, human suffering, disability, disfigurement, emotional distress and other losses. You may also claim some losses resulting from the injury or death of your spouse, your child, or certain loved ones. In order to recover, you may need to show:

1. Permanent injury;
2. Over \$4,000 in medical bills;
3. Disability for more than 60 days;
4. Permanent disfigurement; or
5. Death.

If the driver causing the accident is uninsured or hits and runs, you may not need to show such a serious injury.

Who Pays for the Damage to my Car?

1. If the other driver caused the accident, his or her insurance company must pay for your property damage promptly, without any deductible, *even if you don't carry collision coverage*.
2. If you were partially at fault, the other insurance company must pay a fair percentage equaling their driver's fault.
3. If you have collision coverage, your company may pay the entire bill minus your deductible, and then go after the other driver or his or her insurer for repayment. If they do, they must pay you back a fair percentage of your deductible.
4. If you don't have collision coverage, and there is a disagreement about who caused the accident, you may go to court to force the other driver or his insurer to pay. **If you go to court for your property damage, you may give up any right to make a claim for injuries in the future.**

Do you Have to Give the Insurer a Statement?

One or more of the insurance companies may request that you sign a statement or give a tape recorded statement of the facts of the accident.

Other Insurers: You are NOT required to give a statement to the other insurer.

Your Insurer: You have a right to no-fault benefits regardless of who caused the accident. There is usually no reason for your insurer to request a statement. However, in certain situations, they may have a right to a statement. **It is very important that you talk to a lawyer before providing any statements.**

Are You Required to Sign a Release?

There is no reason to sign a release to get your no-fault benefits paid.

How Long Can the Insurer Take to Pay?

The company usually has 30 days to pay. There is 15% per year interest penalty on overdue payments.

What if You Are Not Being Treated Fairly By Your Insurance Company?

You should contact a lawyer to defend your rights.

When Should a Lawyer be Consulted?

Immediately. There is a real danger that your rights will be prejudiced if you don't consult a lawyer right away. A lawyer may want to interview witnesses, take photos, and gather other important evidence immediately after the accident. The insurance companies will have professional investigators working to protect them. You really need to have a trained professional protecting your rights.

How Do I Pay For a Lawyer?

Most lawyers who handle accident cases only charge a fee once they make a recovery. Typically, you pay a prearranged percentage of the recovery, plus expenses. Some lawyers request prepayment for expenses, others do not. The lawyer is required to make the agreement in writing, and stick to it.

Drive Carefully and Prevent Accidents.

You can avoid many accidents by simply using common sense. Make sure your automobile is always in good mechanical condition. Obey the rules of the road, keep a safe distance from other vehicles and don't speed. When the weather is bad, don't drive. Drive defensively, always keeping alert to what other drivers might do. The members of the Minnesota Trial Lawyer Association want you to avoid needing a lawyer by having a safe and happy trip.

The Minnesota Trial Lawyers Association provides this page as a public service to the victims of auto accidents. It is intended only as a brief outline of the Minnesota No-Fault Act. This page is not intended to provide legal advice; always speak to a lawyer if you or a relative has been hurt in an accident.

We hope that this guide will help you. The members of the Minnesota Trial Lawyers Association are determined to do everything in their power to advance the law and assist injured people. This page represents an effort in that direction.

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