

1.1 **Senator Klein from the Committee on Commerce and Consumer Protection, to**
1.2 **which was referred**

1.3 **S.F. No. 1772:** A bill for an act relating to insurance; modifying provisions governing
1.4 automobile self-insurance; amending Minnesota Statutes 2022, section 65B.48, subdivision
1.5 3.

1.6 Reports the same back with the recommendation that the bill be amended as follows:

1.7 Delete everything after the enacting clause and insert:

1.8 "Section 1. **AUTOMOTIVE SELF-INSURANCE; RULES AMENDMENT;**
1.9 **EXPEDITED RULEMAKING.**

1.10 Subdivision 1. **Self-insurance working capital condition.** The commissioner of
1.11 commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item B, subitem (5),
1.12 to require the commissioner's grant of self-insurance authority to an applicant to be based
1.13 on the applicant's net working capital in lieu of the applicant's net funds flow.

1.14 Subd. 2. **Commissioner discretion to grant self-insurance authority.** The commissioner
1.15 of commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item D, to,
1.16 notwithstanding any other provision of Minnesota Rules, part 2770.6500, permit the
1.17 commissioner to grant self-insurance authority to an applicant that is not a political
1.18 subdivision and that has not had positive net income or positive working capital in at least
1.19 three years of the last five-year period if the applicant's working capital, debt structure,
1.20 profitability, and overall financial integrity of the applicant and its parent company, if one
1.21 exists, demonstrate a continuing ability of the applicant to satisfy any financial obligations
1.22 that have been and might be incurred under the no-fault act.

1.23 Subd. 3. **Working capital.** The commissioner of commerce must define working capital
1.24 for the purposes of Minnesota Rules, part 2770.6500.

1.25 Subd. 4. **Commissioner discretion to revoke self-insurance authority.** The
1.26 commissioner of commerce must amend Minnesota Rules, part 2770.7300, to permit, in
1.27 lieu of require, the commissioner to revoke a self-insurer's authorization to self-insure based
1.28 on the commissioner's determinations under Minnesota Rules, part 2770.7300, items A and
1.29 B.

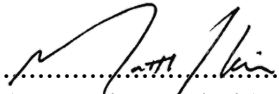
1.30 Subd. 5. **Expedited rulemaking authorized.** The commissioner of commerce may use
1.31 the expedited rulemaking process under Minnesota Statutes, section 14.389, to amend rules
1.32 under this section."

1.33 Amend the title as follows:

2.1 Page 1, line 2, delete everything after the first semicolon and insert "requiring the
 2.2 commissioner of commerce to modify rules relating to automotive self-insurance; authorizing
 2.3 expedited rulemaking;"

Amend the title numbers accordingly

2.5 And when so amended the bill do pass and be re-referred to the Committee on State and
 2.6 Local Government and Veterans. Amendments adopted. Report adopted.

2.7 .....
 2.8 (Committee Chair)

2.9 March 9, 2023.....
 2.10 (Date of Committee recommendation)