

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the the Proposed
Adoption of Rules Governing Regulation
of Self Insurance Under the Minnesota
No-Fault Automobile Insurance Act

STATEMENT OF
NEED AND
REASONABLENESS

The 1985 Minnesota Legislature enacted Chapter 168 which amended Minnesota Statute Section 65B.48 subdivision 3(a) eliminating the bonding requirement for self insuring political subdivisions. Accordingly Minnesota Rules 2770.6500 and 2770.6800, which required such a bond of political subdivisions, was in contravention of the law of this state as of the effective date of Chapter 168. Accordingly the amendments to the rule merely adopt the statutory exclusion for political subdivisions from the bonding requirements.

Small business consideration

As the change in question affects only political subdivisions which would not come within the definition of a small business and since the changes were mandated by a statutory change and are identical to the amended statutory requirements the small business considerations in the rulemaking process have been met.