

# House Research Act Summary

**CHAPTER:** 234

**SESSION:** 2002 Regular Session

**TOPIC:** Auto insurance liability coverage

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## Overview

This act clarifies state law on whether automobile liability coverage must to cover liability of relatives of the named insured who live in the named insured's household, when they drive a vehicle other than the named insured's vehicle, with the permission of the owner. For instance, this can affect the named insured's spouse or children, when driving a vehicle owned by a friend or relative. A Minnesota Supreme Court decision, made in November 2001, ruled that the current wording of the statute does not require such coverage. This act clarifies the statute to provide that auto insurance includes that coverage.

## Section

- 1 **Residual liability insurance.** Clarifies state law to require motor vehicle liability insurance to cover liability of relatives of the named insured who live in the named insured's household, when driving a vehicle other than the insured vehicle, with permission of the owner.
- 2 **Effective date; application.** Effective the day following final enactment and applies to policies issued or renewed on or after that date.