Report of Motor Vehicle Insurance Committee

Minn. L. Rev. Editorial Board

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REPORT OF MOTOR VEHICLE INSURANCE COMMITTEE

To the Minnesota State Bar Association:

RECOMMENDATIONS

Your Committee on Motor Vehicle Insurance recommends that the association urge the adoption by our legislature of a Financial Responsibility Motor Vehicle Law, similar to that in force in the State of New York, and appoint a special committee to further its passage.

REPORT

The Minnesota State Legislature not being in general session since the appointment of your committee, its work has been confined to a study of the financial responsibility Motor Vehicle Law adopted by the State of New York, and other similar laws, and the extent such law has tended to increase the insuring of cars.

The committee has also endeavored to familiarize the public and make it more conscious of the necessity of adopting legislation in this state that will minimize traffic accidents and make those chargeable therewith financially responsible.

The committee has held one meeting at Minneapolis, which was well attended at which the provisions of the New York law referred to were discussed, together with the effect of its operation and a program outlined for the work of the committee to be carried on in the various districts. The Committee prepared material which was published in the March, 1944 edition of the Bench and Bar. The general subject has also been discussed and the New York law explained at a number of the local meetings in the various districts and, in short, considerable ground work has been laid for favorable consideration of the legislation above recommended. Generally speaking, the Committee does not anticipate organized opposition to the adoption of the New York law but urges that the committee appointed to promote the passage of a bill should have such a bill prepared well in advance of the January 1945 legislative session. It should also be submitted to the several interested state departments and each new member of the legislature should be pledged for its support.

This committee feels that the owner and operator of every motor vehicle enjoying the privilege of using our streets and highways should be made financially responsible for damages caused by the negligent operation of such motor vehicle. To accomplish such result is an arduous and difficult task in view of the powerful and resourceful opposition and the lack of intelligent understanding on the part of so many of our people who can least afford to do without the protection that such a law would give them and their dependents.

The New York law, however, goes a long way towards this Utopia by prevailing on the owners and operators of motor vehicles in that state to do voluntarily what the Massachusetts law compels. So far as the committee has been informed the insurance fraternity is satisfied with the New York law and now claim (although unverified) that about 77% of cars being operated in the state of New York are now insured. This substantial increase is brought about by the penalties that attach to an owner or operator who becomes involved in a traffic accident. In general, the law provides that one involved in a traffic accident where property damage exceeds $25.00 must show that he has liability insurance, or post a cash deposit, or furnish a surety bond to discharge any liability that may be established. The owner must also take out liability insurance covering future accidents in order to continue his driving privileges. Drivers whose records show many accidents are required to apply to a pool of many