Report of Motor Vehicle Insurance Committee

Minn. L. Rev. Editorial Board

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COMMITTEE REPORTS

REPORT OF MOTOR VEHICLE INSURANCE COMMITTEE

To the Minnesota State Bar Association:

Your Committee recommends:

Recommendations

1. That Minnesota Statute 1945, Chapter 170.51 be amended to include within its coverage, under the Safety Responsibility Law, drivers of publicly owned vehicles.

2. That Minnesota Statute 1945, Chapter 170, be amended; (a) to include chauffeurs licenses to be subject to the Act; (b) to combine the administration of issuance and revocation of chauffeurs and drivers licenses under one agency.

3. That Minnesota Statutes 1945, Section 375.31, 32 and Section 471.42, 43 be amended so that the Legislature enact enabling legislation to permit the State and its governmental subdivisions to carry property damage and public liability insurance on their vehicles.

4. That the Legislature amend Minnesota Statute 1945 Chapter 170 to revoke or cancel license plates of motor vehicles simultaneously with the revocation of drivers licenses and chauffeurs licenses.

5. Each insurance company authorized to write property damage and liability insurance policies on motor vehicles in the State of Minnesota to report annually to the Minnesota Commissioner of Insurance the number of policies written each year.

Report

The report of Motor Vehicle Insurance Committee to the 1946 Annual Meeting of the Association made two recommendations covering the same subject matter: 1. That subdivision 13 of Section 169.09, Minnesota Statute 1941, be amended by striking therefrom the words "or contents thereof" and "or the contents thereof," wherever the same appear. This pertained to a police officer being prohibited from testifying, even though he witnessed an accident. 2. That the Committee be continued, charged with the duty of aiding the Legislative Committee in obtaining the passage of such amendment and exercising the same duties as heretofore.

Your Chairman and a Sub-committee, including Mr. Galvin, President of the Association, met with a like committee of Minnesota Automobile Association and Minnesota Safety Council and others similarly interested in this subject. The Legislature amended that statute to conform with the recommendation. It is identified as Chapter 114 of the Laws of 1947.

The 1946 report of this Committee has also recommended that Section 30 of the Safety Responsibility Act, making it a gross misdemeanor for a person to drive whose license has been suspended, be amended by the Legislature to be deemed to be a misdemeanor. The reason for that proposal was that the existing section makes convictions difficult to obtain, and accordingly discourages prosecution. At the time of making this report we are informed that the Legislature has amended that section as proposed.

At the time of making the 1946 Annual Report, a Court proceeding was then pending pertaining to the meaning and intent of Section 31 of the Safety Responsibility Act. The Attorney General interpreted the intent of Section 31 by a written opinion given to the Corporation Counsel of the City of St.
Paul. The Attorney General interpreted that section to mean that although vehicles owned and operated by the State or governmental subdivisions are exempt from the operation of the Act, the drivers of such vehicles are not exempt, and are subject to the same liability and penalties for revocation of licenses as drivers of privately owned vehicles.

An action was commenced by the City of St. Paul against the Commissioner of Highways, under the Declaratory Judgment Act, to determine the intent. The lower Court upheld the contention of the City of St. Paul. The matter was appealed to the Supreme Court. The Bar Association filed a brief Amicus Curiae in support of the Attorney General, and the League of Minnesota Municipalities filed a brief Amicus Curiae in support of the City of St. Paul.

On December 27, 1946 the Supreme Court filed its decision in the matter, affirming the District Court of Ramsey County, and excluding drivers of vehicles owned and operated by the State and its governmental subdivisions from being subject to the Act. (Case No. 34256).

In that decision the Supreme Court made a suggestion in the following language:

"If the law is to completely achieve its avowed purposes, the Legislature could either waive governmental immunity from suit in negligence cases as the United States has done in the Federal Tort Claims Act (U.S.C. Public Law 601, Title IV, 79th Congress), which the Legislature could do not only in behalf of the state but of cities and other governmental subdivisions, or it could require such municipalities or subdivisions to cover their drivers with insurance. We therefore hold that the trial court was right in holding the drivers of vehicles owned or operated by the city exempt from the provisions of the act."

The Committee has examined the Federal Tort Claims Act referred to by the Court, and finds it unsatisfactory. The procedure is cumbersome, also attorney's fees are limited, with a penalty against the attorney for charging and accepting a higher fee than the limitation therein provided.

Discussion on Recommendation No. 1

The result of the Supreme Court decision was discussed with representatives of the Minnesota Automobile Association, the Minnesota Safety Council and other interested parties, and we decided to adopt and propose the latter recommendation of the Supreme Court.

A bill was drawn and presented for that purpose, but did not reach a position in the Legislature before adjournment, to receive consideration for passage. For that reason Recommendation No. 1 of this Committee is made for the purpose of presenting same at the next Legislative Session.

Discussion on Recommendation No. 2

When the Safety Responsibility Law was drawn and adopted, the provision for revoking the license of a chauffeur was omitted. The reason for that omission was because the representatives of the Secretary of State took the position that they would not undertake the duty of revoking chauffeurs licenses under the Safety Responsibility Act, if adopted. As the statute now reads, the Drivers License Bureau has jurisdiction to revoke drivers licenses only. In order to accomplish the purpose of Recommendation No. 2, it is necessary that the administration of Issuance and Revocation of chauffeurs' and drivers' licenses be placed under one agency. It is therefore proposed and recommended that the next Safety Responsibility Committee enter into discussions with authorized representatives of the office of the Secretary of State and the Drivers' License Bureau, so that prior to the Legislative Session of 1949 a unanimity of opinion may be arrived at to amend the law for that purpose.

Discussion on Recommendation No. 3

This recommendation is in line with the suggestions of our Supreme Court, as above quoted. In the decision the Supreme Court proposed that governmental agencies and subdivisions be required by Legislative amend-
ment to cover the drivers with insurance. It is the opinion of this Committee that there would be a greater possibility of enactment of such legislation if the Legislature merely enabled governmental agencies to provide their drivers with safety responsibility insurance. This could be accomplished by amending the sections of the statute cited in Recommendation No. 3.

Discussion on Recommendation No. 4

Records show numerous cases of drivers who have had their licenses revoked by reason of violation of the Safety Responsibility Law or other highway traffic laws, who nevertheless continue to drive without a license, instead of proceeding to obtain safety responsibility. For the purpose of minimizing this abuse, we recommend that the Safety Responsibility Committee in existence at the time of the 1949 Legislative Session propose that license plates on motor vehicles be revoked or cancelled simultaneously with the revocation of the operator's licenses.

Discussion on Recommendation No. 5

Since the enactment of the Safety Responsibility Law in the 1945 Session, your Committee has been unable to obtain official, accurate information on the number of drivers carrying safety responsibility insurance, as compared to the number of automobiles operating under Minnesota licenses. We are informed that the Insurance Commissioner of the State of Minnesota, with whom reports are filed by insurance companies, does not obtain or have that information. We recommend that the existing Safety Responsibility Committee confer with the Commissioner of Insurance, and duly authorized representatives of the insurance carriers, for the purpose of having such information incorporated in the reports to the Commissioner of Insurance. This is the only way in which we can obtain official and accurate information as to the amount and percentage of safety responsibility coverage in this State.

Estimated Present Safety Responsibility Coverage

There have never been any official figures as to the percentage of safety responsibility coverage prior to the enactment of this law in the year 1945. It has been roughly estimated as between 20% and 25%.

Mr. Lee of the Drivers' License Bureau has stated, from his official figures for the first three months of the year 1947, that there were 22,443 drivers and owners involved in accidents, subject to the Safety Responsibility Law. Of this number, 20,743 carried the required coverage, or 92%. Mr. Lee stated that this is a fairly accurate indication that 92% of Minnesota drivers now carry insurance. The 1946 Annual Report of this Committee showed that at that time the coverage had been increased to 80%. Such being the case, there has been a substantial increase of the coverage since the last report.

The activity of the Minnesota Bar Association, in proposing safety responsibility legislation, has accomplished two purposes: (a) it has promoted public safety; (b) it has increased the ability of a victim of the negligence of a driver to recover damages for such negligence.

There is room for more improvement, and for that reason we suggest that the next Committee commence the performance of their duties, as outlined in the Recommendations, without waiting for a Legislative Year. Spadework can be done a considerable length of time prior to the 1949 Legislative session.

Respectfully submitted,

John A. Goldie, Chairman

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