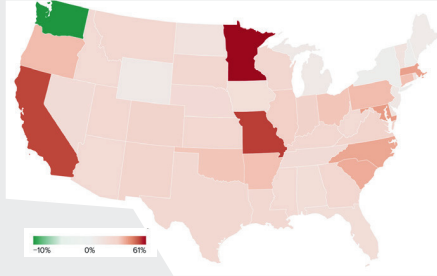


The Economic Reality of Auto Insurance in Minnesota

Skyrocketing Rates

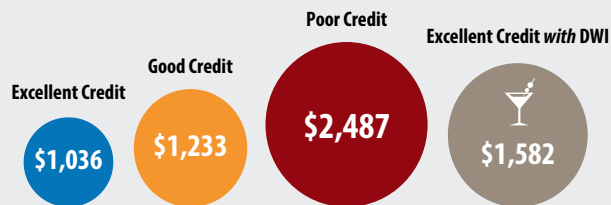
Insurance rates in Minnesota are projected to jump 61% in 2024, the biggest increase in the country.



Source: CBS News, [Car insurance rates could jump 50% in 3 states this year](#)

Discriminatory Pricing

Profit-driven pricing strategies mean non-driving factors like a low credit score can increase your rates more than a DWI.



Average new-customer premiums for adult single drivers with a clean driving record.
Source: *Consumer Reports, The Secret Score Behind Your Rates.*

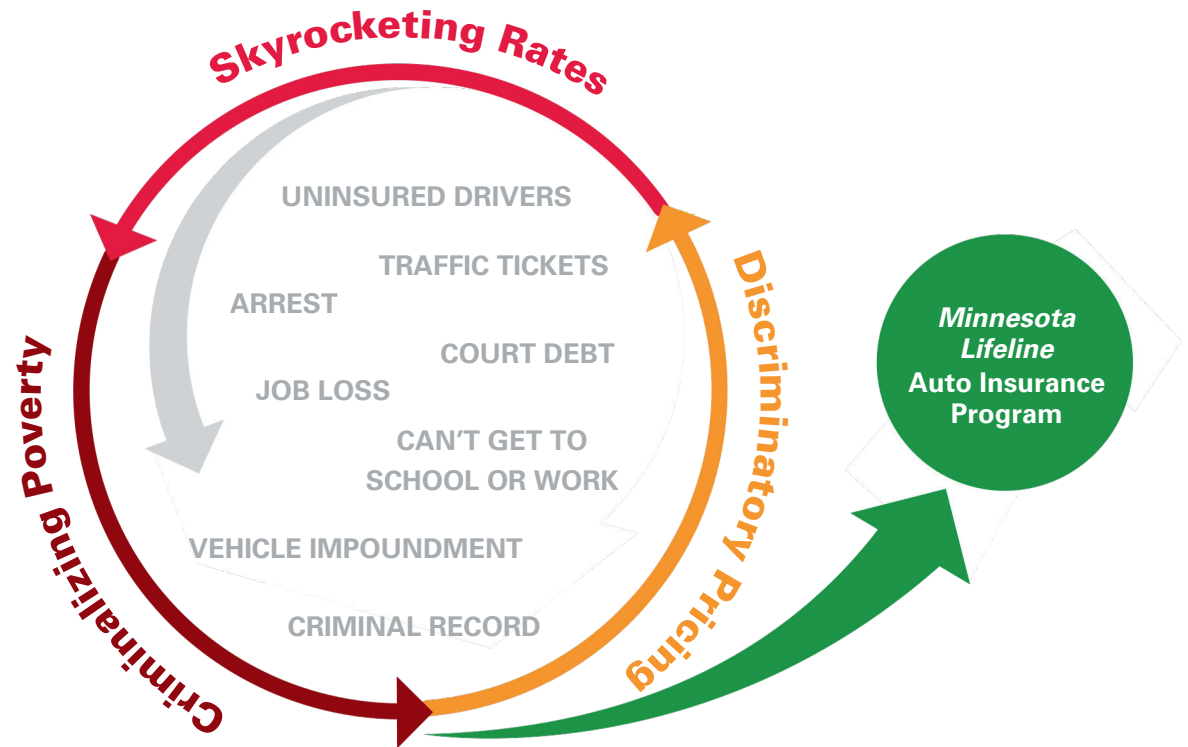
Criminalizing Poverty



MN's minimum insurance requirements are higher than 46 other states, which drives up premiums. If you can't afford MN minimums, you can get charged with a crime.

THE COST SPIRAL:

How Rising Costs and Discriminatory Practices Impact Everyone



Minnesota Lifeline HF 2215/SF 2455 Hollins/Putnam

The Minnesota Lifeline auto insurance program would offer affordable auto insurance to low-income good drivers. It's modeled on similar programs in other states that help families afford insurance and reduce uninsured driving. **More insured drivers mean safer roads for everyone.**

Minnesota Lifeline Auto Insurance Program

HF####/SF#### Hollins/Putnam

Minnesota Lifeline is modeled on low-cost auto insurance programs in other states designed to ensure access to affordable auto insurance for low-income good drivers. The program is funded by premiums paid by participants and administered by the Minnesota Auto Insurance Plan under MN Statute 65B. Rates are approved by the Department of Commerce.

Goals:

- Low-income good drivers have an affordable auto insurance option
- Minnesota's uninsured driver rate decreases, benefitting all drivers and lowering costs
- Fewer tickets for uninsured driving means reduced burden on police, courts, and families

Eligibility:

Minnesota Lifeline is designed for low-income good drivers. Drivers must have:

- No more than one at-fault accident or two traffic tickets in the last three years
- No serious driving violations (like DUI) in the last three years
- Household income below 300% of the Federal Poverty Level
- Health insurance through Medical Assistance, MinnesotaCare, Medicare, or TRICARE

Cost Savings:

The program is designed to be self-sustaining without taxpayer subsidies. Premiums are calculated to cover losses, including most administrative costs. Some distributed costs will be assessed to MINAIP members on a model similar to the existing residual market. Policies are offered at affordable rates to low-income drivers due to the following cost-saving factors:

- No profit is calculated into premiums
- This is a low-risk pool because eligibility is limited to those with good driving records
- Administrative costs are low because of limited underwriting
- Individuals with qualifying health insurance are not required to buy Personal Injury Protection (PIP)

Is a Minnesota Lifeline policy the same as a regular auto insurance policy?

A Minnesota Lifeline policy meets Minnesota minimum coverage requirements for Bodily Injury Liability, Property Damage, and Uninsured and Underinsured Motorist coverage and satisfies the state requirement to maintain auto insurance.

A key difference is that the Minnesota Lifeline program allows individuals with qualifying health insurance to opt out of paying for Personal Injury Protection (PIP). Most states allow people to choose whether to buy PIP coverage, but Minnesota is one of the few states that still requires it. PIP can account for 30-50% of premium cost, so it is a major expense, and drivers with other health insurance may want to save money by opting out of this additional coverage.

How would drivers enroll in Minnesota Lifeline Auto Insurance?

Drivers can find out whether they qualify for Minnesota Lifeline Auto Insurance on the Lifeline Auto Insurance website or by asking an insurance agent.

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