

September 23, 2014

CASE LAW UPDATE

OLWK's Motor Vehicle Practice Group

Minnesota Court of Appeals Determines Buses Operated by the Metropolitan Council are “motor vehicles” under the Minnesota No-Fault Automobile Insurance Act.

In a 3-0 decision this week in [State Farm Mut. Auto. Ins. Co. v. Metropolitan Council](#), the Minnesota Court of Appeals determined that buses operated for public transportation by the Metropolitan Council are “motor vehicles” under the [Minnesota No-Fault Automobile Insurance Act](#). Prior to this decision, Met Council, who is self-insured for its no-fault obligations, typically denied no-fault benefits to uninsured injured passengers, leaving injured persons to turn to the insurer(s) for any other vehicle(s) involved in the accident.

Previously, when a passenger was injured while using a Met Council bus, they could seek no-fault benefits from their own insurer, or, if they did not have automobile insurance, could seek no-fault benefits from the insurer of any other “involved vehicle.” This consolidated appeal arose out of seven separate incidents allegedly causing injuries to a total of 17 passengers. The insurance companies for those “involved vehicles” filed declaratory actions, asking the district court to find that the Metropolitan Council was liable for the passengers’ claims for no-fault benefits.

The crux of the case before the court of appeals was whether a Met Council bus was a “motor vehicle” under the No-Fault Act. Despite appearing obvious on the surface, multiple statutory provisions needed to be analyzed to reach the conclusion. The court of appeals determined that a Met Council bus falls within the registration requirements of [Chapter 168](#) and is therefore a “motor vehicle” under the No-Fault Act, requiring the Met Council to provide no-fault benefits to uninsured passengers. The decision does not impact the general rule that bus passengers with their own insurance, either as a named insured or qualified resident relative, must look to that policy first for no-fault benefits.

This case will likely affect insurers paying no-fault obligations for passengers injured on public transportation buses. No longer will insurers be forced to provide coverage for non-policy holders injured while riding in a Met Council bus, merely because it insured an “involved vehicle.” Because this decision by the court is a mere two days old, it remains to be seen how far the case’s holding will reach or if the Metropolitan Council will seek further review from the Minnesota Supreme Court.

O'MEARA, LEER, WAGNER & KOHL, P.A.

Relationships ▪ Reliability ▪ Results

7401 Metro Boulevard | Suite 600 | Minneapolis | Minnesota | 55439-3034 | [OLKWLAW.com](#) | 952-831-6544

O'MEARA, LEER, WAGNER & KOHL, P.A
Relationships ▪ Reliability ▪ Results

7401 Metro Boulevard | Suite 600 | Minneapolis | Minnesota |
55439-3034 OLKWLaw.com | 952-831-6544



Tim J. Leer
TJLeer@olwklaw.com
d: 952.806.0420
f: 952.893.8320



Michael M. Skram
MMSkram@olwklaw.com
d: 952.806.0457
f: 952.893.8357



Brian McSherry
BMMcSherry@olwklaw.com
d: 952.806.0426
f: 952.893.8326



Lance Meyer
LDMeyer@olwklaw.com
d: 952.806.0409
f: 952.893.8309