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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3294

03/17/2016 Authored by Hoppe and Atkins

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to insurance; allowing certain claims practices to be admissible as  
1.3 standards of conduct; amending Minnesota Statutes 2014, section 604.18,  
1.4 subdivision 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2014, section 604.18, subdivision 4, is amended to read:

1.7 Subd. 4. **Claim for taxable costs.** (a) Upon commencement of a civil action by  
1.8 an insured against an insurer, the complaint must not seek a recovery under this section.  
1.9 After filing the suit, a party may make a motion to amend the pleadings to claim recovery  
1.10 of taxable costs under this section. The motion must allege the applicable legal basis  
1.11 under this section for awarding taxable costs under this section, and must be accompanied  
1.12 by one or more affidavits showing the factual basis for the motion. The motion may be  
1.13 opposed by the submission of one or more affidavits showing there is no factual basis  
1.14 for the motion. At the hearing, if the court finds prima facie evidence in support of the  
1.15 motion, the court may grant the moving party permission to amend the pleadings to claim  
1.16 taxable costs under this section.

1.17 (b) An award of taxable costs under this section shall be determined by the court in a  
1.18 proceeding subsequent to any determination by a fact finder of the amount an insured is  
1.19 entitled to under the insurance policy, and shall be governed by the procedures set forth in  
1.20 Minnesota General Rules of Practice, Rule 119.

1.21 (c) An award of taxable costs under this section is not available in any claim that is  
1.22 resolved or confirmed by arbitration or appraisal.

1.23 (d) The following are not admissible in any proceeding that seeks taxable costs  
1.24 under this section:

2.1 (1) findings or determinations made in arbitration proceedings conducted under  
2.2 section 65B.525 or rules adopted under that section;

2.3 (2) allegations involving, or results of, investigations, examinations, or  
2.4 administrative proceedings conducted by the Department of Commerce;

2.5 (3) administrative bulletins or other informal guidance published or disseminated by  
2.6 the Department of Commerce; and

2.7 (4) provisions under chapters 59A to 79A and rules adopted under those sections are  
2.8 not admissible as standards of conduct, except that the provisions in section 72A.201 and  
2.9 any rules adopted pursuant to that section are admissible.

2.10 (e) A claim for taxable costs under this section may not be assigned. This paragraph  
2.11 does not affect the assignment of rights not established in this section.