

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3841

(SENATE AUTHORS: KLEIN)

DATE
02/23/2026

D-PG
6378

OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection

1.1 A bill for an act
1.2 relating to insurance; making technical and date adjustments to the Minnesota
1.3 premium security plan; amending Minnesota Statutes 2024, section 62E.23,
1.4 subdivision 1; Minnesota Statutes 2025 Supplement, sections 62E.23, subdivision
1.5 1a; 297I.20, subdivision 7.

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

1.7 Section 1. Minnesota Statutes 2024, section 62E.23, subdivision 1, is amended to read:

1.8 Subdivision 1. **Administration of plan.** (a) The association is Minnesota's reinsurance
1.9 entity to administer the state-based reinsurance program referred to as the Minnesota premium
1.10 security plan.

1.11 (b) The association may apply for any available federal funding for the plan. All funds
1.12 received by or appropriated to the association shall be deposited in the premium security
1.13 plan account in section 62E.25, subdivision 1. The association shall notify the chairs and
1.14 ranking minority members of the legislative committees with jurisdiction over health and
1.15 human services and insurance within ten days of receiving any federal funds.

1.16 (c) The association must collect or access data from an eligible health carrier that are
1.17 necessary to determine reinsurance payments, according to the data requirements under
1.18 subdivision 5, paragraph (c).

1.19 (d) The board must not use any funds allocated to the plan for staff retreats, promotional
1.20 giveaways, excessive executive compensation, or promotion of federal or state legislative
1.21 or regulatory changes.

2.1 (e) For each applicable benefit year, the association must notify eligible health carriers
 2.2 of reinsurance payments to be made for the applicable benefit year no later than June 30 of
 2.3 the year following the applicable benefit year.

2.4 (f) On a quarterly basis during the applicable benefit year, the association must provide
 2.5 each eligible health carrier with the calculation of total reinsurance payment requests.

2.6 (g) By August 15 of the year following the applicable benefit year, the association must
 2.7 disburse all applicable reinsurance payments to an eligible health carrier.

2.8 (h) For benefits year 2027, the association must disburse all applicable reinsurance
 2.9 payments to an eligible health carrier by September 30.

2.10 Sec. 2. Minnesota Statutes 2025 Supplement, section 62E.23, subdivision 1a, is amended
 2.11 to read:

2.12 Subd. 1a. **2028 assessment on group health carriers.** (a) An assessment is imposed in
 2.13 calendar year 2028 on group health carriers operating ~~under the~~ in Minnesota ~~premium~~
 2.14 ~~security plan in~~ during benefit year 2027. This is a onetime assessment.

2.15 (b) By May 1, 2028, the association must provide each group health carrier with an
 2.16 estimate of the carrier's assessment under paragraph (a).

2.17 (c) By ~~June 30~~ July 25, 2028, the association must notify each group health carrier of
 2.18 the carrier's assessment amount under paragraph (a). The association must determine each
 2.19 carrier's assessment amount, in consultation with the commissioner, based on the group
 2.20 health carrier's portion of the total premiums for group health plans written in Minnesota
 2.21 for benefit year 2027. The assessment must be approved by the commissioner. The
 2.22 association must establish the assessment amount for each group health plan so that the
 2.23 aggregate assessment amount collected from group health plans under this subdivision
 2.24 equals the amount necessary for the appropriations and transfers under section 62E.25,
 2.25 subdivision 1.

2.26 (d) Subject to paragraph (e), each group health carrier must pay the assessment under
 2.27 paragraph (a) to the association by August ~~1~~ 29, 2028. A group health plan must pay the
 2.28 assessment in the manner determined by the commissioner.

2.29 (e) A group health carrier may apply to the commissioner to defer all or part of the
 2.30 assessment imposed under paragraph (a). The application must be submitted to the
 2.31 commissioner by May 15, 2028. The commissioner may defer all or part of the assessment
 2.32 if the commissioner determines the payment of the assessment places the group health
 2.33 carrier in a financially impaired condition. The commissioner may deny an application for

3.1 deferral under this paragraph. No later than June 15, 2028, the commissioner must notify
3.2 the association and the group health carrier whether the assessment deferral is approved or
3.3 denied. If the commissioner approves the deferral request, the notice must include the amount
3.4 of and due date for the deferred portion of the assessment. If all or part of the assessment
3.5 is deferred, the association must include the amount deferred in the other group health
3.6 carriers' assessments in a proportionate manner consistent with this subdivision. ~~The~~ A
3.7 group health carrier that receives a deferral is liable ~~to the association~~ for the amount deferred
3.8 and is prohibited from receiving or becoming entitled to a reinsurance payment under the
3.9 Minnesota premium security plan until the group health carrier has paid the deferred
3.10 assessment.

3.11 (f) If the association determines the assessment imposed under paragraph (a) exceeds
3.12 or is less than the amount necessary to operate and administer the Minnesota premium
3.13 security plan and issue reinsurance payments, the association must require group health
3.14 carriers to pay an additional amount or the association must issue a refund to the group
3.15 health carriers. The association must determine the accuracy of the assessment by ~~May 30~~
3.16 March 15, 2029.

3.17 ~~(g) By August 15, 2028, the association must remit the assessments collected under this~~
3.18 ~~subdivision to the commissioner for deposit in the premium security plan account created~~
3.19 ~~under section 62E.25.~~

3.20 Sec. 3. Minnesota Statutes 2025 Supplement, section 297L.20, subdivision 7, is amended
3.21 to read:

3.22 Subd. 7. **Reinsurance credit.** Beginning with taxable years after December 31, 2028,
3.23 a taxpayer may claim a credit against the premiums tax imposed under this chapter equal
3.24 to the amount of the assessment paid by the taxpayer under section 62E.23 in the immediately
3.25 preceding calendar year. If the amount of the credit exceeds the liability for tax under this
3.26 chapter, the commissioner must refund the excess to the ~~insurance company~~ taxpayer. An
3.27 amount sufficient to pay the refunds under this section is appropriated to the commissioner
3.28 from the general fund. The credit under this subdivision does not affect the calculation of
3.29 fire state aid under section 477B.03 and police state aid under section 477C.03. The
3.30 commissioner of commerce must annually provide to the commissioner a list of assessments
3.31 paid by taxpayers under section 62E.23 by March 1 of the calendar year following the
3.32 assessment.

3.33 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
3.34 31, 2028.