SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4157

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03/05/2026	6516	Introduction and first reading Referred to Commerce and Consumer Protection
03/09/2026	6580	Author added Nelson
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A bill for an act

relating to insurance; providing for and regulating short-term rental guarantees and reimbursement insurance policies; proposing coding for new law as Minnesota Statutes, chapter 59E.

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

Section 1. **[59E.01] SHORT TITLE.**

This chapter shall be known and cited as the "Rental Home Marketplace Guarantees Act."

Sec. 2. **[59E.02] DEFINITIONS.**

(a) For purposes of this chapter, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of commerce.

(c) "Person" means an individual or an entity, excluding a state or local governmental entity.

(d) "Platform contract holder" means a platform user who is the beneficiary or holder of a rental home marketplace guarantee.

(e) "Provider" means:

(1) a rental home marketplace; or

(2) a rental home marketplace affiliate or representative who issues or offers as well as administers, either directly or through a third party, a rental home marketplace guarantee.

(f) "Reimbursement insurance policy" means an insurance policy issued to a provider, pursuant to which the insurer agrees, for the benefit of a platform contract holder, to discharge the provider's obligations and liabilities under the terms of the rental home marketplace guarantee in the event of the provider's default or nonperformance under the rental home marketplace guarantee.

(g) "Rental home marketplace" means a person that:

(1) provides an online application, software, website, system, or other medium that: (i) is used to advertise or offer available property to the public, and (ii) connects and enables platform users' property;

(2) provides, directly or indirectly, or maintains an online platform by:

(i) transmitting or otherwise communicating the offer or acceptance of a transaction between two platform users; or

(ii) owning or operating the electronic infrastructure or technology that connects two or more platform users; and

(3) if the person offers rental home marketplace guarantees, the person offers rental home marketplace guarantees only in a manner that is ancillary to the conduct of the person's primary legitimate business or activity.

(h) "Rental home marketplace guarantee" means a contract or agreement issued in connection with a rental home marketplace, whether or not the contract or agreement includes a separate consideration, to reimburse a user sharing property for damages the renter is responsible for under the rental home marketplace's terms of service, with or without additional provision for incidental payment of indemnity.

Sec. 3. **[59E.03] REQUIREMENTS FOR DOING BUSINESS.**

(a) A provider is prohibited from issuing or offering a rental home marketplace guarantee unless the provider has made the rental home marketplace guarantee terms available on the provider's website and complied with this chapter.

(b) A provider that offers rental home marketplace guarantees must file a registration with the commissioner on a form prescribed by the commissioner and must pay the commissioner a $750 fee annually.

(c) To ensure the faithful performance of a provider's obligations to the provider's platform contract holders, each provider who is obligated to a platform contract holder shall insure all rental home marketplace guarantees under a reimbursement insurance policy

issued (1) by an insurer authorized to transact insurance in Minnesota, or (2) pursuant to sections 60A.195 to 60A.2095.

(d) Each person handling rental home marketplace guarantee losses on behalf of a provider must be trained in property damage and loss assessment and interpretation of the rental home marketplace guarantee terms before handling losses. The training must be adequate for each person handling rental home marketplace guarantee losses to provide knowledgeable, fair, and objective service. Providers must maintain records demonstrating completion of the training under this paragraph by each person handling rental home marketplace guarantee losses.

Sec. 4. **[59E.04] RENTAL HOME MARKETPLACE GUARANTEES ARE NOT INSURANCE.**

A rental home marketplace guarantee does not constitute insurance and is not required to comply with other Minnesota insurance laws if the provider complies with this chapter.

Sec. 5. **[59E.05] REIMBURSEMENT INSURANCE POLICY.**

(a) A reimbursement insurance policy insuring rental home marketplace guarantees must clearly state that upon the provider's default or nonperformance under the rental home marketplace guarantee, the insurer that issued the policy must pay on behalf of the provider any amount the provider is obligated to pay according to the rental home marketplace guarantee.

(b) A reimbursement insurance policy is subject to the laws and regulations governing termination and nonrenewal of insurance policies in Minnesota. The termination of a reimbursement insurance policy does not reduce the issuer's responsibility for rental home marketplace guarantees issued by providers before the termination's effective date.

(c) A provider is the agent of the insurer that issued the reimbursement insurance policy. The insurer retains the right to seek indemnification or subrogation from the provider if the insurer pays or is obligated to pay the platform contract holder the amount the provider was obligated to pay under the rental home marketplace guarantee. This chapter does not prevent or limit the insurer's right in this regard.

Sec. 6. **[59E.06] CONSUMER PROTECTION AND DISCLOSURES.**

(a) A rental home marketplace guarantee must include a statement in substantially the following form: "This rental home marketplace guarantee is not an insurance contract."

(b) A rental home marketplace guarantee must contain a statement in substantially the following form: "The provider's obligations are backed by a reimbursement insurance policy. If the provider is unable or fails to perform on the provider's contractual obligation under a rental home marketplace guarantee within 90 days after the date proof of loss is filed, a platform user is entitled to make a claim directly against the insurance company subject to the terms of the policy."

(c) A rental home marketplace guarantee must be written in clear, understandable language and must specify the terms, limitations, exceptions, conditions, or exclusions, including conditions governing transferability or termination.

(d) A provider is prohibited from making, permitting, or causing to be made a false or misleading statement, or deliberately omitting a material statement whose omission is considered misleading, in connection with offering or advertising a rental home marketplace guarantee.

Sec. 7. **[59E.07] ENFORCEMENT.**

The commissioner must ensure rental home marketplace guarantees comply with this chapter pursuant to the commissioner's powers under chapter 45. The commissioner must ensure reimbursement insurance policies insuring rental home marketplace guarantees comply with applicable law pursuant to the commissioner's powers under chapters 45 and 60A.