

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4406

(SENATE AUTHORS: WESTLIN and Hoffman)

DATE	D-PG	OFFICIAL STATUS
03/12/2026	6668	Introduction and first reading Referred to Commerce and Consumer Protection
04/07/2026	7454a 7904	Comm report: To pass as amended Second reading
04/22/2026	8962	Referred to for comparison with HF4133 Rule 45-amend, subst. General Orders HF4133, SF indefinitely postponed

1.1 A bill for an act

1.2 relating to insurance; prohibiting certain exclusions in homeowner's insurance

1.3 policies when damage is done by a peace officer; amending Minnesota Statutes

1.4 2024, section 65A.27, subdivision 1; proposing coding for new law in Minnesota

1.5 Statutes, chapter 65A.

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

1.7 Section 1. Minnesota Statutes 2024, section 65A.27, subdivision 1, is amended to read:

1.8 Subdivision 1. **Scope.** For purposes of sections 65A.27 to ~~65A.302~~ 65A.304, the following

1.9 terms have the meanings given.

1.10 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to

1.11 homeowner's insurance policies offered, issued, or renewed on or after that date.

1.12 Sec. 2. **[65A.304] DAMAGE BY PEACE OFFICERS; MITIGATION.**

1.13 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

1.14 the meanings given.

1.15 (b) "Industrial hygienist" means an individual who has:

1.16 (1) a certified industrial hygienist credential from the Board for Global EHS

1.17 Credentialing; or

1.18 (2) an equivalent certification from a nationally or internationally recognized accrediting

1.19 body demonstrating competency in the anticipation, recognition, evaluation, and control of

1.20 occupational and environmental health hazards.

2.1 (c) "Just compensation" has the meaning given in section 626.74, subdivision 1, clause
2.2 (1).

2.3 (d) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph
2.4 (c).

2.5 Subd. 2. **Exclusion prohibited.** (a) A policy of homeowner's insurance must not exclude
2.6 coverage for property damage if the homeowner is an innocent third party entitled to just
2.7 compensation under section 626.74 and the damage results from a peace officer's use of
2.8 chemical irritants, smoke screens, or diversionary devices.

2.9 (b) Nothing in this section affects a local government's duty to pay just compensation
2.10 under section 626.74.

2.11 (c) Nothing in paragraph (a) prohibits a civil authority exclusion or other policy provision
2.12 as long as the coverage for just compensation is not excluded.

2.13 Subd. 3. **Mitigation.** (a) Under a policy of homeowner's insurance, an insurer must allow
2.14 a homeowner to choose a mitigation contractor and, if necessary, an industrial hygienist to
2.15 assess and remediate damage due to a peace officer's use of chemical irritants, smoke screens,
2.16 or diversionary devices, when the homeowner is owed just compensation under section
2.17 626.74.

2.18 (b) The work performed by a mitigation contractor or industrial hygienist under this
2.19 subdivision must follow recognized industry standards.

2.20 Subd. 4. **Insurer subrogation and reimbursement.** (a) If an insurer pays benefits to
2.21 or on behalf of a homeowner for damage described in this section, the insurer is subrogated
2.22 as a matter of law to the homeowner's right to recover just compensation from the responsible
2.23 local government unit.

2.24 (b) Payment made by an insurer under a policy of homeowner's insurance for damages
2.25 described in this section, if made in good faith and after reasonable investigation, is presumed
2.26 reasonable and necessary and must be reimbursed by the responsible local government unit.
2.27 Reimbursement may be denied only upon proof that the payment was obtained by fraud or
2.28 that the insurer acted in bad faith. If reimbursement is not made as required by this
2.29 subdivision, the insurer may bring an action to recover the amount paid and is entitled to
2.30 reasonable attorney fees, costs, and disbursements, including interest under section 60A.0811,
2.31 subdivision 2, paragraph (a).

3.1 (c) If an insurer is reimbursed by a local government unit pursuant to this section, the
3.2 insurer must remit to the homeowner an amount equal to any deductible the homeowner
3.3 has paid toward the damage.

3.4 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to
3.5 homeowner's insurance policies offered, issued, or renewed on or after that date.