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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 3943

03/15/2018 Authored by Theis, Rarick and Howe
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 labor and industry; requiring commercial general liability insurers to
1.3 obtain proof of licensure before insuring residential builders; amending Minnesota
1.4 Statutes 2016, section 326B.86, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2016, section 326B.86, subdivision 2, is amended to read:

1.7 Subd. 2. **Insurance.** (a) Each licensee shall have and maintain in effect commercial
1.8 general liability insurance, which includes premises and operations insurance and products
1.9 and completed operations insurance, with limits of at least \$100,000 per occurrence, \$300,000
1.10 aggregate limit for bodily injury, and property damage insurance with limits of at least
1.11 \$25,000 or a policy with a single limit for bodily injury and property damage of \$300,000
1.12 per occurrence and \$300,000 aggregate limits.

1.13 (b) The insurance must be written by an insurer licensed to do business in this state.
1.14 Each licensee shall maintain on file with the commissioner a certificate evidencing the
1.15 insurance.

1.16 (c) The sale of commercial general liability insurance required under this subdivision
1.17 must include the current license number of the licensee. The insurer must verify the license
1.18 number on the commissioner's contractor licensure Web site under section 326B.701,
1.19 subdivision 4. In the event of a license suspension or termination, the commissioner shall
1.20 send written notice to the insurer named on the licensee's application or renewal application.

1.21 (d) In the event of a policy cancellation, the insurer shall send written notice to the
1.22 commissioner at the same time that a cancellation request is received from or a notice is
1.23 sent to the insured.

- 2.1 (e) The commissioner may increase the minimum amount of insurance required for any
2.2 licensee or class of licensees if the commissioner considers it to be in the public interest
2.3 and necessary to protect the interests of Minnesota consumers.