

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 2285

03/09/2017 Authored by O'Driscoll and Hoppe
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; regulating rates; modifying depreciation calculations;
1.3 amending Minnesota Statutes 2016, section 70A.06, by adding a subdivision.

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

1.5 Section 1. Minnesota Statutes 2016, section 70A.06, is amended by adding a subdivision
1.6 to read:

1.7 Subd. 4a. Expense depreciation applicable when determining value of damaged
1.8 property in insurance policies. (a) As used in this section:

1.9 (1) "damaged property" means a dwelling, structure, personal property, or any other
1.10 property or service, the damage to which is covered under the terms of an insurance policy;
1.11 and

1.12 (2) "expense depreciation" means depreciation, including but not limited to the cost of
1.13 goods, materials, labor, and services necessary to replace, repair, or rebuild damaged property.

1.14 (b) An insurance policy covering damaged property:

1.15 (1) may allow for expense depreciation; and

1.16 (2) shall provide notice within the insurance policy in a form approved by the
1.17 commissioner of commerce that expense depreciation may be deducted.

1.18 (c) If expense depreciation is applied to a loss for damaged property, the insurer shall
1.19 provide a written explanation as to how the expense depreciation was calculated.

1.20 (d) An insurance policy submitted for approval to the commissioner that includes expense
1.21 depreciation, is not grounds for disapproving the insurance policy.