

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 1027

(SENATE AUTHORS: HALL)

DATE	D-PG	OFFICIAL STATUS
02/23/2015	391	Introduction and first reading Referred to Commerce

1.1

A bill for an act

1.2

relating to insurance; requiring certain disclosures with respect to building code

1.3

coverage in homeowner's insurance; amending Minnesota Statutes 2014, section

1.4

65A.10, subdivision 1.

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

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Section 1. Minnesota Statutes 2014, section 65A.10, subdivision 1, is amended to read:

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Subdivision 1. **Buildings.** (a) Nothing contained in sections 65A.08 and 65A.09 shall

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be construed to preclude insurance against the cost, in excess of actual cash value at the

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time any loss or damage occurs, of actually repairing, rebuilding or replacing the insured

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property. Subject to any applicable policy limits, where an insurer offers replacement cost

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insurance: (i) the insurance must cover the cost of replacing, rebuilding, or repairing any

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loss or damaged property in accordance with the minimum code as required by state or

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local authorities; and (ii) the insurance coverage may not be conditioned on replacing or

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rebuilding the damaged property at its original location on the owner's property if the

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structure must be relocated because of zoning or land use regulations of state or local

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government. In the case of a partial loss, unless more extensive coverage is otherwise

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specified in the policy, this coverage applies only to the damaged portion of the property.

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(b) If the coverage referenced in paragraph (a), clause (i), is subject to any policy

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limit other than the overall limit on the policy the insurer must annually provide the

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following written notice in 18-point type:

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"Limitation on Building Code Coverage:

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This policy may not cover all cost related to replacing or repairing property in

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accordance with minimum building code requirements because of an applicable

- 2.1
- policy sublimit. If you have any questions about this, please contact your insurance
- 2.2
- agent or us."