

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1826

(SENATE AUTHORS: KORAN and Dahms)

DATE	D-PG	OFFICIAL STATUS
03/06/2017	1073	Introduction and first reading
		Referred to Commerce and Consumer Protection Finance and Policy
03/09/2017		Comm report: To pass as amended
		Second reading

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.