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**ARTICLE 2**

**INSURANCE**

Senate Language S2216-3

**ARTICLE 3**

**HEALTH INSURANCE**

**ARTICLE 4**

**GENERAL INSURANCE**

Sec. 5. Minnesota Statutes 2024, section 60A.201, subdivision 2, is amended to read:

Subd. 2. **Availability of other coverage; presumption.** There shall be a rebuttable presumption that the following coverages are available from a licensed insurer:

~~(a)~~ (1) all mandatory automobile insurance coverages required by chapter 65B;

~~(b)~~ (2) private passenger automobile physical damage coverage;

~~(c)~~ (3) homeowners and property insurance on owner-occupied dwellings whose value is less than $500,000~~. This figure shall be changed annually by the commissioner by the same percentage as the Consumer Price Index for the Minneapolis-St. Paul Metropolitan Area is changed~~;

~~(d)~~ (4) any coverage readily available from three or more licensed insurers unless the licensed insurers quote a premium and terms not competitive with a premium and terms quoted by an eligible surplus lines insurer; and

~~(e)~~ (5) workers' compensation insurance, except excess workers' compensation insurance which is not available from the Workers' Compensation Reinsurance Association.

Sec. 6. Minnesota Statutes 2024, section 60A.201, is amended by adding a subdivision to read:

Subd. 7. **FAIR plan coverage; notice.** If the insurance placed by the surplus lines broker with a nonadmitted insurer is homeowners or property insurance on an owner-occupied dwelling, the broker must print, type, or stamp in not less than ten-point type on the face of the policy the following notice: "YOU MAY BE ELIGIBLE FOR COVERAGE THROUGH THE MINNESOTA FAIR PLAN, WHICH MAKES AVAILABLE PROPERTY AND LIABILITY COVERAGE, AS DEFINED BY THE MINNESOTA FAIR PLAN ACT, TO QUALIFIED APPLICANTS WHO HAVE BEEN UNABLE TO SECURE PROPERTY AND LIABILITY INSURANCE THROUGH THE NORMAL INSURANCE MARKETS." The notice under this subdivision must not be covered or concealed in any manner, and is in addition to the notice required under section 60A.207 or 60A.209.

Sec. 7. Minnesota Statutes 2024, section 60C.09, subdivision 2, is amended to read:

Subd. 2. **Further definition.** In addition to subdivision 1, a covered claim does not include:

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Section 1. Minnesota Statutes 2024, section 62A.65, subdivision 2, is amended to read:

Subd. 2. **Guaranteed renewal.** No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier ~~must not refuse~~ is prohibited from refusing to renew ~~an~~ a Minnesota resident's individual health plan~~, except for nonpayment of premiums, fraud, or misrepresentation.~~ unless:

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(1) claims by an affiliate of the insurer;

(2) claims due a reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries, reinsurance recoveries, contribution, indemnification, or otherwise. This clause does not prevent a person from presenting the excluded claim to the insolvent insurer or its liquidator, but the claims shall not be asserted against another person, including the person to whom the benefits were paid or the insured of the insolvent insurer, except to the extent that the claim is outside the coverage of the policy issued by the insolvent insurer; ~~and~~

(3) any claims, resulting from insolvencies which occur after July 31, 1996, by an insured whose net worth exceeds $25,000,000 on December 31 of the year prior to the year in which the insurer becomes an insolvent insurer; provided that an insured's net worth on that date shall be deemed to include the aggregate net worth of the insured and all of its subsidiaries and affiliates as calculated on a consolidated basis. The association may request financial information from an insured to determine the insured's net worth under this clause. If an insured fails to provide the requested financial information within 60 days of the date the association submits a request, the insured's net worth is deemed to exceed $25,000,000 for purposes of the association's evaluation of the claim under section 60C.10. A request by the association to an insured seeking financial information under this clause must inform the insured of the consequences of failing to provide the requested information;

(4) any claims under a policy written by an insolvent insurer with a deductible or self-insured retention of $300,000 or more, nor that portion of a claim that is within an insured's deductible or self-insured retention; and

(5) claims that are a fine, penalty, interest, or punitive or exemplary damages.

Sec. 4. Minnesota Statutes 2024, section 62A.65, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** No health carrier, as defined in section 62A.011, shall offer, sell, issue, or renew any individual health plan, as defined in section 62A.011, to a Minnesota resident except in compliance with this section. ~~This section does not apply to the Comprehensive Health Association established in section 62E.10.~~

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(1) the enrollee has failed to pay premiums in accordance with the health plan's terms, including any timeliness requirements;

(2) the enrollee has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact under the health plan's terms;

(3) the enrollee no longer lives in the area where the issuer is authorized to operate;

(4) a health carrier discontinues an individual health plan as provided under subdivision 2a; or

(5) a health carrier discontinues issuing new individual health plans and refuses to renew all of the health carrier's existing individual health plans issued in Minnesota as provided under subdivision 8.

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Sec. 5. Minnesota Statutes 2024, section 62A.65, subdivision 2, is amended to read:

Subd. 2. **Guaranteed renewal.** (a) No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier must not refuse to renew an individual health plan, except for nonpayment of premiums, fraud, or intentional misrepresentation of a material fact.

(b) A health carrier may elect to discontinue health plan coverage of an individual in the individual market only, in one or more of the following situations:

(1) the health carrier is ceasing to offer individual health plan coverage in the individual market in accordance with sections 62A.65, subdivision 8, and 62E.11, subdivision 9, and federal law;

(2) for network plans, the individual no longer resides, lives, or works in the service area of the health carrier, or the area for which the health carrier is authorized to do business, but only if coverage is terminated uniformly without regard to any health-status-related factor of covered individuals; or

(3) a decision by the health carrier to discontinue offering a particular type of individual health plan if it meets the following requirements:

(i) provides notice in writing to each individual provided coverage of that type of health plan at least 90 days before the date the coverage is discontinued;

(ii) provides notice to the department at least 30 business days before the issuer or health carrier provides notice to the individuals under item (i);

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Sec. 2. Minnesota Statutes 2024, section 62A.65, is amended by adding a subdivision to read:

Subd. 2a. **Discontinuing individual health plan.** (a) In order to discontinue a particular type of individual health plan in Minnesota for purposes of subdivision 2, clause (4), a health carrier must:

(1) provide written notice to the commissioner that approves the individual health plan's policy forms and filings, in the form and manner approved by the commissioner, regarding the health carrier's intent to discontinue a particular type of individual health plan in Minnesota. The notice must be provided no later than May 1 of the year before the date the individual health plan intends to discontinue the particular type of individual health plan;

(2) provide written notice to each individual enrolled in the individual health plan no later than 90 days before the date the coverage is discontinued;

(3) offer each individual covered by the individual health plan that the health carrier intends to discontinue the option to purchase on a guaranteed-issue basis any other individual health plan currently offered by the health carrier for individuals in that market; and

(4) act uniformly without regard to any factor relating to the health status factor of covered individuals or dependents of covered individuals who may become eligible for coverage.

(b) The commissioner may disapprove a health carrier discontinuing a particular type of individual health plan within 60 days after receiving notice under paragraph (a) if the commissioner determines discontinuing the plan is not in Minnesota policyholders' best interest. When making the determination under this paragraph, the commissioner may consider the size of plan enrollment, the availability of comparable individual health plan options offered by the health carrier in Minnesota, or any other factor the commissioner deems relevant.

(c) A health carrier may appeal the commissioner's determination under paragraph (b) to disapprove the health carrier's plan to discontinue a particular type of individual health plan in Minnesota. An appeal under this paragraph is subject to the contested case procedures under chapter 14 and must be made within 30 days of the date the commissioner makes a written determination under paragraph (b).

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(iii) offers to each covered individual, on a guaranteed issue basis, the option to purchase any other individual health plan currently being offered by the health carrier or related health carrier for individuals in that market; and

(iv) acts uniformly without regard to any health status-related factor of covered individuals or dependents of covered individuals who may become eligible for coverage.

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Sec. 3. Minnesota Statutes 2024, section 62D.12, subdivision 2, is amended to read:

Subd. 2. **Coverage cancellation; nonrenewal.** No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (1) failure to pay the charge for health care coverage; (2) termination of the health care plan subject to section 62A.65, subdivisions 2 and 2a; (3) termination of the group plan; (4) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (5) enrollee

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Sec. 6. Minnesota Statutes 2024, section 62A.65, is amended by adding a subdivision to read:

Subd. 2a. **Uniform modification of plan.** (a) Only at the time of coverage renewal may a health carrier modify the health plan for a product, as defined under Code of Federal Regulations, title 45, section 144.103, offered to an individual in the individual market if the modification is effective uniformly for all individuals with that product.

(b) For purposes of paragraph (a), modifications made uniformly and solely pursuant to applicable federal or state requirements are considered a uniform modification of coverage if:

(1) the modification is made within a reasonable time period after the imposition or modification of the federal or state requirement; and

(2) the modification is directly related to the imposition or modification of the federal or state requirement.

(c) Other types of modifications made uniformly are considered a uniform modification of coverage if the health plan for the product in the individual market meets all of the following criteria:

(1) the product is offered by the same health carrier;

(2) the product is offered as the same product network type, which includes but is not limited to a health maintenance organization, preferred provider organization, exclusive provider organization, point of service, or indemnity;

(3) the product continues to cover at least a majority of the same service area;

(4) within the product, each health plan has the same cost-sharing structure as before the modification, except for any variation in cost sharing solely related to changes in cost and utilization of medical care, or to maintain the same metal level, as defined in section 62K.06, subdivision 4; and

(5) the product provides the same covered benefits, except for any changes in benefits that cumulatively impact the plan-adjusted index rate as defined under Code of Federal Regulations, title 45, section 144.103, for any health plan within the product within an allowable variation of plus or minus two percentage points, not including changes pursuant to applicable federal or state requirements.

Sec. 7. Minnesota Statutes 2024, section 62D.12, subdivision 2, is amended to read:

Subd. 2. **Coverage cancellation; nonrenewal.** No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (1) failure to pay the charge for health care coverage; (2) termination of the health care plan subject to section 62A.65, subdivisions 2 and 2a; (3) termination of the group plan; (4) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (5) enrollee

moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (6) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (7) fraud or misrepresentation by the enrollee with respect to eligibility for coverage or any other material fact; or (8) other reasons established in rules promulgated by the commissioner of health.

Sec. 4. Minnesota Statutes 2024, section 62D.12, subdivision 2a, is amended to read:

Subd. 2a. **Cancellation or nonrenewal notice.** Enrollees shall be given 30 days' notice of any cancellation or nonrenewal, except that: (1) enrollees in a plan terminated under section 62A.65, subdivisions 2, clause (4), and 2a, must receive the 90 days' notice required under section 62A.65, subdivision 2a, paragraph (a), clause (2); and (2) enrollees who are eligible to receive replacement coverage under section 62D.121, subdivision 1, shall receive 90 days' notice as provided under section 62D.121, subdivision 5.

Sec. 5. Minnesota Statutes 2024, section 62D.121, subdivision 1, is amended to read:

Subdivision 1. **Replacement coverage.** When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (6) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (7) fraud or misrepresentation by the enrollee with respect to eligibility for coverage or any other material fact; or (8) other reasons established in rules promulgated by the commissioner of health.

Sec. 8. Minnesota Statutes 2024, section 62D.12, subdivision 2a, is amended to read:

Subd. 2a. **Cancellation or nonrenewal notice.** Enrollees shall be given 30 days' notice of any cancellation or nonrenewal, except that: (1) enrollees in a plan terminated under section 62A.65, subdivisions 2, paragraph (b), clause (3), and 2a, must receive the 90 days' notice required under section 62A.65, subdivision 2, paragraph (b), clause (3); and (2) enrollees who are eligible to receive replacement coverage under section 62D.121, subdivision 1, shall receive 90 days' notice as provided under section 62D.121, subdivision 5.

Sec. 9. Minnesota Statutes 2024, section 62D.121, subdivision 1, is amended to read:

Subdivision 1. **Replacement coverage.** When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Sec. 10. Minnesota Statutes 2024, section 62J.26, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given unless the context otherwise requires:

(1) "commissioner" means the commissioner of commerce;

(2) "enrollee" has the meaning given in section 62Q.01, subdivision 2b;

(3) "health plan" means a health plan as defined in section 62A.011, subdivision 3, but includes coverage listed in clauses (7) and (10) of that definition;

(4) "mandated health benefit proposal" or "proposal" means a proposal that would statutorily require a health plan company to do the following:

(i) provide coverage or increase the amount of coverage for the treatment of a particular disease, condition, or other health care need;

(ii) provide coverage or increase the amount of coverage of a particular type of health care treatment or service or of equipment, supplies, or drugs used in connection with a health care treatment or service; or

(iii) provide coverage for care delivered by a specific type of provider; and

~~(iv) require a particular benefit design or impose conditions on cost-sharing for:~~

~~(A) the treatment of a particular disease, condition, or other health care need;~~

~~(B) a particular type of health care treatment or service; or~~

~~(C) the provision of medical equipment, supplies, or a prescription drug used in connection with treating a particular disease, condition, or other health care need; or~~

~~(v) impose limits or conditions on a contract between a health plan company and a health care provider.~~

(5) "Minnesota public health care program" means a public health care program administered by the commissioner of human services under chapters 256B and 256L.

(b) "Mandated health benefit proposal" does not include health benefit proposals:

(1) amending the scope of practice of a licensed health care professional; ~~or~~

(2) that make state law consistent with federal law; or

(3) that apply exclusively to Minnesota public health care programs.

Sec. 11. Minnesota Statutes 2024, section 62J.26, subdivision 2, is amended to read:

Subd. 2. **Evaluation process and content.** (a) The commissioner, in consultation with the commissioners of health, human services, and management and budget, must evaluate all mandated health benefit proposals as provided under subdivision 3.

(b) The purpose of the evaluation is to provide the legislature with a complete and timely analysis of all ramifications of any mandated health benefit proposal. The evaluation must include, in addition to other relevant information, the following to the extent applicable:

(1) scientific and medical information on the mandated health benefit proposal, on the potential for harm or benefit to the patient, and on the comparative benefit or harm from alternative forms of treatment, and must include the results of at least one professionally accepted and controlled trial comparing the medical consequences of the proposed therapy, alternative therapy, and no therapy;

(2) public health, economic, and fiscal impacts of the mandated health benefit proposal on persons receiving health services in Minnesota, on persons receiving health services in a Minnesota public health care program, on the relative cost-effectiveness of the proposal, and on the health care system in general;

(3) the extent to which the treatment, service, equipment, or drug is generally utilized by a significant portion of the population and used in the Minnesota public health care programs;

(4) the extent to which insurance coverage for the mandated health benefit proposal is already generally available and available in the Minnesota public health care programs;

(5) the extent to which the mandated health benefit proposal, by health plan category, would apply to the benefits offered to the health plan's enrollees and enrollees in the Minnesota public health care programs;

(6) the extent to which the mandated health benefit proposal will increase or decrease the cost of the treatment, service, equipment, or drug;

(7) the extent to which the mandated health benefit proposal may increase enrollee premiums; and

(8) if the proposal applies to a qualified health plan as defined in section 62A.011, subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal using commercial market reimbursement rates in accordance with Code of Federal Regulations, title 45, section 155.170.

(c) The commissioner shall consider actuarial analysis done by health plan companies and any other proponent or opponent of the mandated health benefit proposal in determining the cost of the proposal.

(d) The commissioner must summarize the nature and quality of available information on these issues, and, if possible, must provide preliminary information to the public. The commissioner may conduct research on these issues or may determine that existing research is sufficient to meet the informational needs of the legislature. The commissioner may seek the assistance and advice of researchers, community leaders, or other persons or organizations with relevant expertise. The commissioner must provide the public with at least 45 days' notice when requesting information pursuant to this section. The commissioner must notify the chief authors of a bill when a request for information is issued.

(e) Information submitted to the commissioner pursuant to this section that meets the definition of trade secret information, as defined in section 13.37, subdivision 1, paragraph (b), is nonpublic data.

(f) The commissioner must publish all evaluations conducted under this section on a publicly available website within 30 days of the evaluation's completion.

Sec. 12. Minnesota Statutes 2024, section 62J.26, subdivision 3, is amended to read:

Subd. 3. **Requirements for evaluation.** (a) No later than August 1 of the year preceding the legislative session in which ~~a~~ an incumbent legislator is planning on introducing a bill containing a mandated health benefit proposal~~;~~ or is planning on offering an amendment to a bill that adds a mandated health benefit, the prospective author must notify the chair of

one of the standing legislative committees that have jurisdiction over the subject matter of the proposal. No later than 15 days after notification is received, the chair must notify the commissioner that an evaluation of a mandated health benefit proposal is required to be completed in accordance with this section in order to inform the legislature before any action is taken on the proposal by either house of the legislature.

(b) The commissioner must conduct an evaluation described in subdivision 2 of each mandated health benefit proposal for which an evaluation is required under paragraph (a).

(c) If the evaluation of multiple proposals are required, the commissioner must consult with the chairs of the standing legislative committees having jurisdiction over the subject matter of the mandated health benefit proposals to prioritize the evaluations and establish a reporting date for each proposal to be evaluated.

(d) By December 31 of the year in which a mandated health benefit proposal, for which an evaluation described in subdivision 2 has not been conducted, is enacted, the commissioner must conduct an evaluation described in subdivision 2. The evaluation required by this paragraph applies to mandated health benefit proposals:

(1) introduced or offered by a legislator who was not seated by the deadline for notification under paragraph (a);

(2) enacted without conformity to paragraph (a); or

(3) for which an evaluation was required under paragraph (b) but was not conducted.

Sec. 13. Minnesota Statutes 2024, section 62J.26, is amended by adding a subdivision to read:

Subd. 6. **Conformity.** A mandated health benefit proposal enacted into law is effective whether or not it is in conformity with this section.

Sec. 14. Minnesota Statutes 2024, section 62J.26, is amended by adding a subdivision to read:

Subd. 7. **Adoption of forms.** (a) The commissioner of commerce must adopt forms, by July 1, 2026, for the following:

(1) an incumbent legislator to notify the chair of the mandated health benefit proposal under subdivision 3, paragraph (a); and

(2) the chair to notify the commissioner of the mandated health benefit proposal under subdivision 3, paragraph (a).

(b) The forms adopted under this subdivision must include all information needed from the legislator introducing or offering the mandated health benefit proposal for the commissioner to conduct the required evaluation.

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Sec. 6. Minnesota Statutes 2024, section 62Q.73, subdivision 4, is amended to read:

Subd. 4. **Contract.** Pursuant to a request for proposal, ~~the commissioner of administration, in consultation with~~ the commissioners of health and commerce~~, shall~~ must contract with ~~at least three organizations~~ more than one organization or business ~~entities~~ entity to provide independent external reviews of all adverse determinations submitted for external review. The contract ~~shall~~ must ensure that the fees for services rendered in connection with the reviews are reasonable.

Sec. 7. Minnesota Statutes 2024, section 65B.02, subdivision 7, is amended to read:

Subd. 7. **Participation ratio.** "Participation ratio" means the ratio of the member's Minnesota premiums, or other measure of business written approved by the commissioner, in relation to the comparable statewide totals for all members.

(1) For private passenger nonfleet automobile insurance coverages the participation ratio shall be based on voluntary car years written in this state for the calendar year ending December 31 of the second prior year, as reported by the statistical agent of each member as private passenger nonfleet exposures.

(2) For insurance coverages on all other automobiles, including insurance for fleets, commercial vehicles, public vehicles and garages, the ratio shall be based on the total Minnesota gross, direct automobile insurance premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, and less the amount of such premiums reported as received for insurance on private passenger nonfleet vehicles, for the calendar year ending December 31 of the second prior year.

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Sec. 15. Minnesota Statutes 2024, section 62Q.73, subdivision 4, is amended to read:

Subd. 4. **Contract.** Pursuant to a request for proposal, ~~the commissioner of administration, in consultation with~~ the commissioners of health and commerce~~, shall~~ must contract with ~~at least three organizations~~ more than one organization or business ~~entities~~ entity to provide independent external reviews of all adverse determinations submitted for external review. The contract ~~shall~~ must ensure that the fees for services rendered in connection with the reviews are reasonable.

Sec. 31. Minnesota Statutes 2024, section 65A.01, subdivision 3c, is amended to read:

Subd. 3c. **Time requirements.** (a) In the event of a policy less than 60 days old that is declined, or a policy that it is being canceled for nonpayment of premium, the notice must be mailed to the insured at least ~~20~~ 30 days before the effective cancellation date. If a policy is being declined or canceled for underwriting considerations, the insured must be informed of the source from which the information was received.

(b) In the event of a midterm cancellation, for reasons listed in subdivision 3a, or according to policy provisions, notice must be mailed to the insured at least 30 days before the effective cancellation date.

(c) In the event of a nonrenewal, notice must be mailed to the insured at least 60 days before the effective date of nonrenewal, containing the specific underwriting or other reason for the indicated actions.

(d) This subdivision does not apply to commercial policies regulated under sections 60A.36 and 60A.37.

(3) For the purpose of determining each member's responsibility for expenses and assessments to operate the facility, the ratio shall be based on each member's total Minnesota car years and gross, direct premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, for the calendar year ending December 31 of the second prior year, provided, however, that the preliminary determination of each member's responsibility for expenses and assessments may use the calendar year ending December 31 of the third prior year.

Sec. 8. Minnesota Statutes 2024, section 65B.05, is amended to read:

**65B.05 POWER OF FACILITY, GOVERNING COMMITTEE.**

(a) The facility is authorized to: (1) issue or cause to be issued insurance policies in the name of the Minnesota automobile insurance plan to applicants for the types of insurance available under the plan, subject to limits specified in the plan of operation; (2) underwrite the insurance and adjust and pay losses with respect to the plan; and (3) retain, hire, or appoint an individual or company to perform a function under clause (1) or (2).

(b) The governing committee shall have the power to direct the operation of the facility in all pursuits consistent with the purposes and terms of sections 65B.01 to 65B.12, including but not limited to ~~the following~~:

(1) ~~To sue and be~~ suing and being sued in the name of the facility and ~~to~~ assess each member in accord with its participation ratio to pay any judgment against the facility as an entity, provided, however, that no judgment against the facility shall create any liabilities in one or more members disproportionate to their participation ratio or an individual representing members on the governing committee~~.~~;

(2) ~~To delegate~~ delegating ministerial duties, ~~to hire~~ hiring a manager, and ~~to contract~~ contracting for goods and services from others~~.~~;

(3) ~~To assess~~ assessing members on the basis of participation ratios to cover anticipated costs of operation and administration of the facility~~.~~; and

(4) ~~To impose~~ imposing limitations on cancellation or nonrenewal by members of insureds covered pursuant to placement through the facility in addition to the limitations imposed by chapter 72A and sections 65B.1311 to 65B.21.

Sec. 9. Minnesota Statutes 2024, section 65B.06, subdivision 1, is amended to read:

Subdivision 1. **Distribution of private passenger, nonfleet auto risks.** With respect to private passenger, nonfleet automobiles, the facility shall provide for ~~the equitable distribution of qualified applicants to~~ members to share premium, losses, costs, and expenses in accordance with the participation ratio ~~or among these insurance companies as selected under the provisions of the plan of operation~~.

Sec. 10. Minnesota Statutes 2024, section 65B.06, subdivision 2, is amended to read:

Subd. 2. **Private passenger; nonfleet auto coverage.** With respect to private passenger, nonfleet automobiles, the facility shall provide for the issuance of policies of automobile insurance ~~by members~~ with coverage as follows:

(1) bodily injury liability and property damage liability coverage in the minimum amounts specified in section 65B.49, subdivision 3;

(2) uninsured and underinsured motorist coverages as required by section 65B.49, subdivisions 3a and 4a;

(3) a reasonable selection of higher limits of liability coverage up to $50,000 because of bodily injury to or death of one person in any one accident and, subject to such limit for one person, up to $100,000 because of bodily injury to or death of two or more persons in any one accident, and up to $25,000 because of injury to or destruction of property of others in any one accident, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner;

(4) basic economic loss benefits, as required by section 65B.44, and other optional coverages as recommended by the governing committee and approved by the commissioner; and

(5) automobile physical damage coverage, including coverage of loss by collision, subject to deductible options.

Sec. 11. Minnesota Statutes 2024, section 65B.06, subdivision 3, is amended to read:

Subd. 3. **Other auto coverage.** With respect to all automobiles not included in subdivisions 1 and 2, the facility shall provide:

(1) the minimum limits of coverage required by section 65B.49, subdivisions 2, 3, 3a, and 4a, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner;

(2) for the equitable ~~distribution of qualified applicants~~ sharing of premium, losses, costs, and expenses for this coverage among the members in ~~accord~~ accordance with the applicable participation ratio~~, or among these insurance companies as selected under the provisions of the plan of operation~~; and

(3) for a school district or contractor transporting school children under contract with a school district, that amount of automobile liability insurance coverage, not to exceed $1,000,000, required by the school district by resolution or contract, or that portion of such $1,000,000 of coverage for which the school district or contractor applies and for which it is eligible under section 65B.10.

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Sec. 12. Minnesota Statutes 2024, section 65B.10, subdivision 2, is amended to read:

Subd. 2. **Termination of eligibility.** Eligibility for placement through the facility will terminate if an insured is offered equivalent coverage in the voluntary market at a rate lower than the facility rate. ~~If the member that is required to provide coverage by the facility makes such an offer after giving 30 days' advance written notice to the agent of record before making the offer, the member shall have no further obligation to the agent of record.~~

Sec. 13. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to read:

Subd. 42. **Availability of current policy.** After an original policy of automobile insurance under section 65B.14, subdivision 2, or homeowner's insurance under section 65A.27, subdivision 4, has been issued, an insurer must deliver a copy of the current policy to the first named insured within 21 days of the date a request for the current policy is received. The copy may be delivered in paper form, electronically, or via a website link. An insurer is required to provide a current policy in response to a request under this subdivision once per policy period.

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Sec. 32. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to read:

Subd. 42. **Availability of current policy.** After an original policy of automobile insurance under section 65B.14, subdivision 2, or homeowner's insurance under section 65A.27, subdivision 4, has been issued, an insurer must deliver a copy of the current policy to the first named insured within 21 days of the date a request for the current policy is received. The copy may be delivered in paper form, electronically, or via a website link. An insurer is required to provide a current policy in response to a request under this subdivision once per policy period.

Sec. 33. **[168A.1502] INSURER APPLICATION FOR TITLE.**

(a) When an insurer licensed to conduct business in Minnesota acquires ownership of a vehicle through payment of damages and the owner fails to deliver the vehicle's title to the insurer within 15 days of payment of the claim, the insurer or a designated agent may apply to the commissioner for a certificate of title as provided in this section. This section only applies to vehicles with a title issued by this state.

(b) At least 15 days prior to applying for a certificate of title under this section, the insurer or a designated agent must notify the owner and any lienholders of record of the insurer's intent to apply for a title. The notice must be sent to the last known address of the owner and any lienholders by certified mail or by a commercial delivery service that provides evidence of delivery.

(c) At least 15 days after notifying the owner and any lienholders under paragraph (b), the insurer may apply for a certificate of title from the commissioner. The application must attest that the insurer or a designated agent:

(1) paid the claim;

(2) requested the title or other necessary transfer documents from the owner; and

(3) provided notice to the owner and any lienholders as required under paragraph (b).

If the insurer or a designated agent does not attest to completing the requirements under clauses (1) to (3), the commissioner must reject the application.

(d) Notwithstanding any outstanding liens, upon proper application and payment of applicable fees, the commissioner must issue a certificate of title, salvage title, or prior

salvage title in the name of the insurer. Issuance of a certificate of title, salvage title, or prior salvage title extinguishes all existing liens against the vehicle. If the vehicle is sold, the insurer or a designated agent must assign the title to the buyer and the vehicle is transferred without any liens.

Sec. 34. **[168A.1503] REQUIREMENTS UPON UNPAID INSURANCE VEHICLE CLAIM.**

Subdivision 1. **Definition.** For purposes of this section, "salvage vehicle auction company" or "auction company" means a business, organization, or individual that sells salvage vehicles on behalf of insurers.

Subd. 2. **Notice to auction company.** (a) If an insurance company licensed to conduct business in Minnesota requests an auction company to take possession of a salvage vehicle that is subject to an insurance claim and the insurance company does not subsequently take ownership of the vehicle, the insurance company may direct the auction company to release the vehicle to the owner or lienholder.

(b) The insurance company must provide the auction company notice, by commercial delivery service, email, or a proprietary electronic system accessible by both the insurance company and the auction company, authorizing the auction company to release the vehicle to the vehicle's owner or lienholder.

Subd. 3. **Notice to owner or lienholder.** (a) Upon receiving notice from an insurance company, the auction company must send two notices a minimum of 14 days apart to the owner of the vehicle and any lienholders stating that the vehicle is available to be recovered from the auction company within 30 days of the date the first notice was sent. Each notice must include an invoice for any outstanding charges owed to the auction company that must be paid before the vehicle may be recovered.

(b) Notice under this subdivision must be sent to the address of the owner and any lienholder on record with the commissioner by certified mail or a commercially available delivery service that provides proof of delivery.

Subd. 4. **Vehicle deemed abandoned.** (a) If the owner or any lienholder does not recover the vehicle within 30 days of the date on which the first notice was sent under subdivision 3, (1) the vehicle is considered abandoned, (2) the vehicle's certificate of title is deemed assigned to the auction company, and (3) without surrendering the certificate of title, the auction company may request, on a form provided by the commissioner, that the commissioner issue a certificate of title that is free of liens.

(b) A request under paragraph (a) must be accompanied by a copy of (1) the notice sent by the insurance company required under subdivision 2, and (2) evidence of delivery of the notices sent to the owner and any lienholders required under subdivision 3 or evidence that the notices were undeliverable.

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(c) Notwithstanding any outstanding liens against the vehicle, upon proper application and receipt of any fees charged under section 168A.29, the commissioner must issue a certificate of title that is free of liens and bears a salvage or prior salvage brand to the auction company in possession of the vehicle.

Sec. 13. **APPLICATION OF MINNESOTA STATUTES, SECTION 65A.3025.**

Minnesota Statutes, section 65A.3025, applies to policies issued or renewed on or after August 1, 2024. Minnesota Statutes, section 65A.3025, does not apply to policies issued or renewed prior to that date.

**EFFECTIVE DATE.** This section is effective retroactively from August 1, 2024.

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Sec. 5. **TASK FORCE ON HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE.**

Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide recommendations relating to insurance affordability with respect to single-family housing, multifamily rental housing, common interest communities, cooperatives, and small businesses, and preventing disruptions or loss to the development, preservation, and long-term sustainability of Minnesota's housing infrastructure and small businesses.

Subd. 2. **Membership.** (a) The task force consists of the following:

(1) one member appointed by the commissioner of commerce;

(2) one member appointed by the speaker of the house;

(3) one member appointed by the speaker emerita of the house;

(4) one member appointed by the senate majority leader;

(5) one member appointed by the senate minority leader;

(6) one member appointed by the Minnesota Consortium of Community Developers;

(7) four members with expertise in property and casualty insurance and reinsurance for single-family and multifamily housing markets, including nonprofit and cooperative housing, appointed by the Insurance Federation of Minnesota;

(8) one member appointed by Big I Minnesota;

(9) one member appointed by the Minnesota Realtors;

(10) one member appointed by the Minnesota Community Development Financial Institutions Coalition;

(11) one member appointed by the Minnesota Homeownership Center;

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Sec. 18. **TASK FORCE ON HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE.**

Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide recommendations relating to insurance affordability of single-family housing and multifamily rental housing and for preventing disruptions or loss to the development, preservation, and long-term sustainability of Minnesota's housing infrastructure.

Subd. 2. **Membership.** (a) The task force consists of the following:

(1) one member appointed by the commissioner of commerce;

(2) one member appointed by the speaker of the house;

(3) one member appointed by the house minority leader;

(4) one member appointed by the senate majority leader;

(5) one member appointed by the senate minority leader;

(6) one member appointed by the Minnesota Consortium of Community Developers;

(7) two members appointed by the Insurance Federation of Minnesota, one with expertise in homeowners insurance and one with expertise in commercial insurance;

(8) one member appointed by Big I Minnesota;

(9) one member appointed by the Minnesota Realtors;

(10) one member appointed by the Minnesota Community Development Financial Institutions Coalition;

(11) one member appointed by the Minnesota Homeownership Center;

(12) one member appointed by the Greater Minneapolis Building Owners and Managers Association;

(13) one member appointed by the Minnesota chapter of the Community Associations Institute;

(13) one member appointed by the Professional Insurance Agents of Minnesota;

(14) one member appointed by the Minnesota Bankers Association;

(15) one member appointed by the Minnesota Commercial Real Estate Association;

(14) one member appointed by the Minnesota Multi Housing Association;

(15) one member appointed by the Housing Justice Center; and

(16) one member with climate science expertise appointed by the chair and vice-chair of the Legislative Coordinating Commission.

(16) one member appointed by the Minnesota Multi Housing Association; and

(12) one member appointed by the Housing Justice Center;

(17) one member appointed by Ceres with expertise in climate risk mitigation and insurance markets.

(b) The appointing authorities must make the appointments by August 15, 2025.

(b) The appointing authorities must make the appointments by August 15, 2025.

Subd. 3. **Duties.** (a) The task force must identify recommendations to strengthen and stabilize the homeowners and commercial property insurance industry.

Subd. 3. **Duties.** (a) The task force must identify recommendations to strengthen and stabilize the homeowners and commercial property insurance industry.

(b) The task force must consult with the commissioners of the Minnesota Housing Finance Agency, the Department of Employment and Economic Development, and other key stakeholders in the homeowners and commercial property insurance and housing industries.

(b) The task force must consult with the commissioner of the Housing Finance Agency, the commissioner of employment and economic development, other relevant state and local agencies, and key stakeholders in the insurance and housing industries.

(c) The task force must review:

(c) The task force must review:

(1) risk mitigation methodologies;

(1) risk mitigation and property resilience to natural hazards, and the effect on insurance costs;

(2) liability laws impacting insurance costs;

(2) the effect of liability laws on insurance costs and whether tort reform could reduce costs;

(3) minimum notice for coverage changes, including enforcement and oversight;

(3) minimum notice for coverage changes, including enforcement and oversight;

(4) public reporting of aggregated data relating to insurance plan costs and coverage;

(4) public reporting of aggregated data relating to insurance plan costs and coverage;

(5) the reinsurance market for homeowners and commercial property insurance;

(5) the reinsurance market for homeowners and commercial property insurance;

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(6) the current state-supported insurance program and the potential to expand the program to include a catastrophic reinsurance fund and a self-insured pool;

(7) factors that increase claim costs, including but not limited to post-loss contractors, fraudulent claims, climate, inflation, and discontinued building materials; and

(8) other areas that would strengthen and stabilize the homeowners and commercial property insurance industry.

Subd. 4. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first meeting of the task force convenes no later than September 15, 2025, and must provide accessible physical or virtual meeting space as necessary for the task force to conduct work.

(b) At the first meeting, the task force must elect a chair or cochairs from the members appointed by the house of representatives and senate by a majority vote of the members present and may elect a vice-chair as necessary.

(c) The task force must establish a schedule for meetings and must meet as necessary to accomplish the duties under subdivision 3.

(d) The task force is subject to Minnesota Statutes, chapter 13D.

Subd. 5. **Report required.** (a) The task force must submit a report to the commissioners of the Department of Commerce, Minnesota Housing Finance Agency, and the Department of Employment and Economic Development, and the chairs and ranking minority members of the legislative committees having jurisdiction over the agencies listed in this paragraph by February 15, 2026.

(b) The report must:

(1) summarize the activities of the task force;

(2) provide findings and recommendations adopted by the task force;

(3) list recommended administrative changes to the relevant agencies;

(4) include draft legislation to implement nonadministrative recommendations; and

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(6) the current state-supported insurance program and the potential to expand the program to include a catastrophic reinsurance fund and a self-insured pool;

(7) factors that increase claim costs, including but not limited to post-loss contractors, fraudulent claims, climate, inflation, and discontinued building materials;

(8) regulatory factors that increase insurance costs or decrease access to insurance products; and

(9) other areas that would strengthen and stabilize the homeowners and commercial property insurance industry.

Subd. 4. **Administration.** The Legislative Coordinating Commission must provide administrative support to the task force. Upon request of the task force, the commissioners of commerce, the Housing Finance Agency, and employment and economic development must provide technical support and expertise.

Subd. 5. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first meeting of the task force convenes no later than September 15, 2025, and must provide accessible physical or virtual meeting space as necessary for the task force to conduct work.

(b) At the first meeting, the task force must elect a chair or cochairs from those appointed by the house and senate by a majority vote of those members present and may elect a vice-chair as necessary.

(c) The task force must establish a schedule for meetings and must meet as necessary to accomplish the duties under subdivision 3.

(d) The task force is subject to Minnesota Statutes, chapter 13D.

Subd. 6. **Report required.** (a) The task force must submit a report to the commissioners of commerce, the Housing Finance Agency, and employment and economic development and the chairs and ranking minority members of the legislative committees having jurisdiction over the agencies listed in this paragraph by February 15, 2026.

(b) The report must:

(1) summarize the activities of the task force;

(2) provide findings and recommendations adopted by the task force;

(3) make recommendations related to tort reform that could reduce insurance costs;

(4) include any draft legislation required to implement recommendations; and

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(5) include other information the task force believes is necessary to report.

Subd. 6. **Expiration.** The task force expires upon submission of the report required under subdivision 5.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

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Sec. 14. **REPEALER.**

Minnesota Statutes 2024, section 65B.10, subdivision 3, is repealed.

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(5) include other information the task force believes is necessary to report.

Subd. 7. **Expiration.** The task force expires upon submission of the report required under subdivision 6.

**EFFECTIVE DATE.** This section is effective the day following final enactment.