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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 275

January 26, 2009

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act
1.2 relating to insurance; prohibiting nonrenewal of homeowner's insurance based
1.3 on certain nonpaid claims; prohibiting premium increases based on certain
1.4 factors; amending Minnesota Statutes 2008, section 65A.29, subdivision 11, by
1.5 adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2008, section 65A.29, subdivision 11, is amended to read:

1.8 Subd. 11. **Nonrenewal.** Every insurer shall establish a plan that sets out the
1.9 minimum number and amount of claims during an experience period that may result
1.10 in a nonrenewal. For purposes of the plan, the insurer may not consider as a claim the
1.11 insured's inquiry about a hypothetical claim, ~~or~~ the insured's inquiry to the insured's agent
1.12 regarding a potential claim, or a claim submitted to the insurer that the insurer denied or
1.13 upon which the insurer did not make a payment.

1.14 No homeowner's insurance policy may be nonrenewed based on the insured's loss
1.15 experience unless the insurer has sent a written notice that any future losses may result in
1.16 nonrenewal due to loss experience.

1.17 Any nonrenewal of a homeowner's insurance policy must, at a minimum, comply
1.18 with the requirements of subdivision 8 and the rules adopted by the commissioner.

1.19 **EFFECTIVE DATE.** This section is effective August 1, 2009.

1.20 Sec. 2. Minnesota Statutes 2008, section 65A.29, is amended by adding a subdivision
1.21 to read:

2.1 Subd. 13. Premium not to be increased based on inquiry or denied claim. An
2.2 insurer shall not use as a basis for increasing the premium upon renewal of a homeowner's
2.3 insurance policy:

2.4 (1) the insured's inquiry about a hypothetical claim;

2.5 (2) the insured's inquiry to the insured's agent about a potential claim; or

2.6 (3) a claim submitted by the insured that the insurer denied or upon which the
2.7 insurer did not make a payment.

2.8 **EFFECTIVE DATE.** This section is effective August 1, 2009.