

Chair Elkins and Task Force members,

Thank you for the opportunity to testify on October 22, 2025. The work you are doing through the Minnesota Task Force on Homeowners and Commercial Property Insurance is incredibly important and has the opportunity to position the state as a national leader in insurance and resilience. As a recently returned Minnesotan who has worked on climate resilience in Florida for the past decade, the goal of my testimony is to provide useful contextual information for your consideration and make four recommendations to the task force, in the attached slide deck.

My testimony referenced a number of resources, linked below with brief descriptions.

1. Insurance For Good (<https://www.insuranceforgood.org/>) - A nonprofit created to be the community of practice working to harness risk transfer for the common good, is collecting resources and case studies, can provide access to top experts on insurance innovation and policy, and is convening cohorts for state and local governments.
2. The New York Times published a novel analysis of homeowner insurance rates across the United States on October 8, 2024. This analysis fills a gap that has emerged in the absence of national data collection. Note that data is from 2023 and does not reflect Minnesota's most recent insurance rate increases.
<https://www.nytimes.com/interactive/2024/07/08/climate/home-insurance-climate-change.html>
3. Insurance reforms in Florida following Hurricane Ian in 2022 appear to have stabilized rates, however denial of claims increased creating new challenges for customers and regulators. Data available from Florida Office of Insurance Regulation:
<https://floir.com/tools-and-data/catastrophe-reporting>

Hurricane	Year	Claims closed with payment	Claims closed without payment	% without payment
Milton	2024	187,837	129,348	41%
Helene	2024	93,451	50,138	35%
Ian	2022	381,815	157,445	29%
Michael	2018	82,462	14,039	15%
Irma	2017	619,652	293,136	32%

4. The figure on slide 7 is drawn from a paper that presents three descriptive future scenarios for property insurance in Florida, as climate risks increase. The approach could be adapted to Minnesota's unique vulnerabilities and regulatory context.

C. Kousky, G. Treuer, & K.J. Mach, Insurance and climate risks: Policy lessons from three bounding scenarios, Proc. Natl. Acad. Sci. U.S.A. 121 (48) e2317875121, <https://doi.org/10.1073/pnas.2317875121> (2024).

5. The Miami-Dade Property Insurance Strategy Forum, convened 80 experts to address insurance, rising risk, and resilience investments. Recommendations are summarized in this report: <https://www.insuranceforgood.org/miami-dade>
6. Insurance Endorsements to Support Climate-Ready Residential Rebuilding Post-Disaster, a report published on September 15, 2025, that describes simple insurance policy add-ons, endorsements, that provide support for homeowners to rebuild after disasters with upgrades that reduce future risk, cut carbon emissions and lower long-term costs: <https://www.edf.org/media/insurance-policy-tools-can-turn-post-disaster-recovery-resilience-new-edf-report>

Recommendations

1. Learn from Florida, do not copy its mistakes
 - a. Collect data on coverage and affordability (cost as % of property value covered)
 - b. Tort reform may encourage new entrants, transfers regulatory burden to the state
2. Pursue risk reduction
 - a. Targeted support for lower income, rural, and small community mitigation
 - b. Endorsements for rebuilding (e.g. Fortified roofs, hail proof shingles)
 - c. Innovate and experiment (e.g. parametric policies and microinsurance)
3. Engage insurance agents and brokers
4. Take flood insurance separately

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Minnesota Task Force on Homeowners and Commercial Property Insurance

October 22, 2025

Testimony by Galen Treuer, PhD



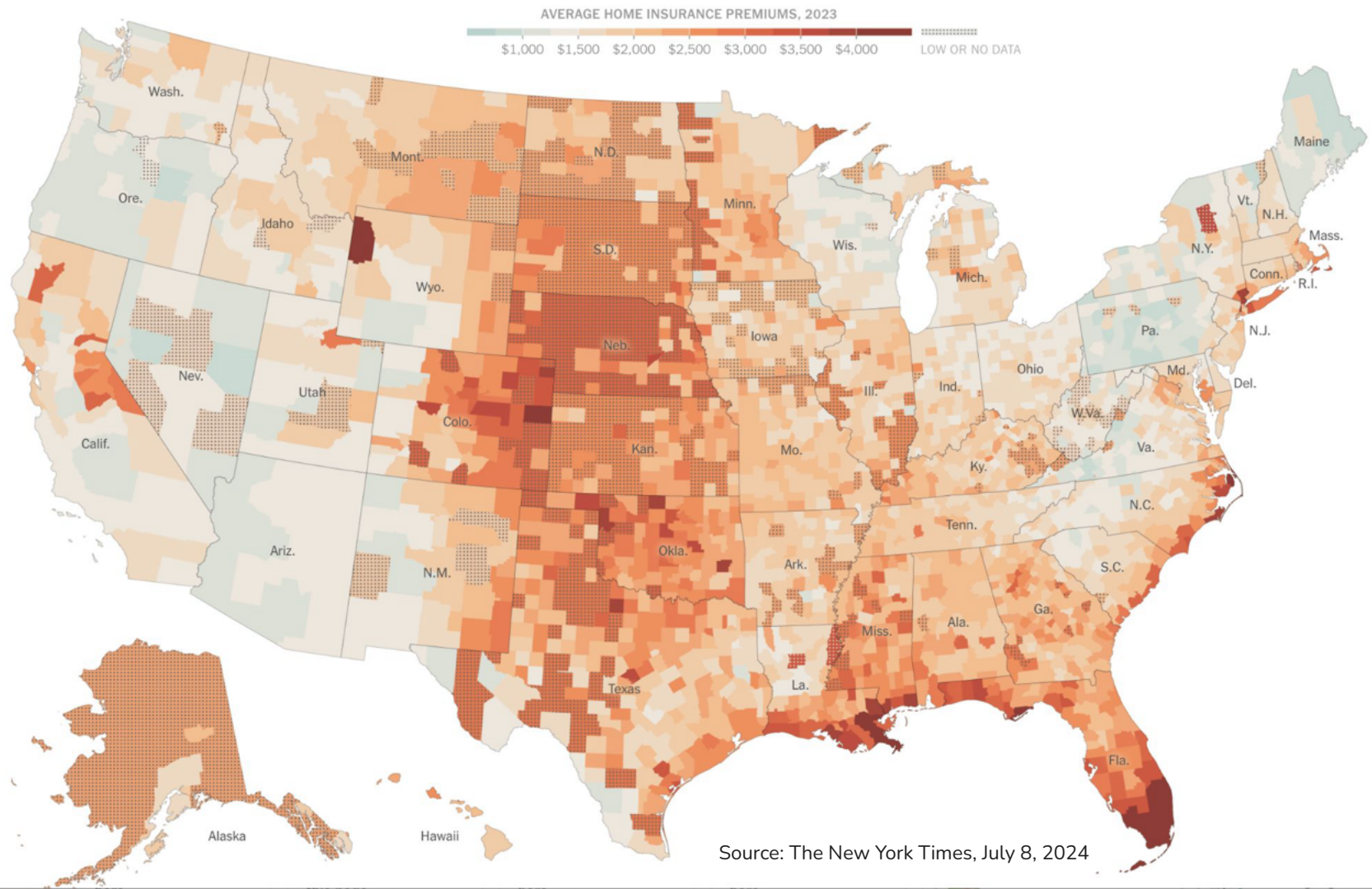
Insurance
for
Good

Harnessing risk transfer for people and the planet.

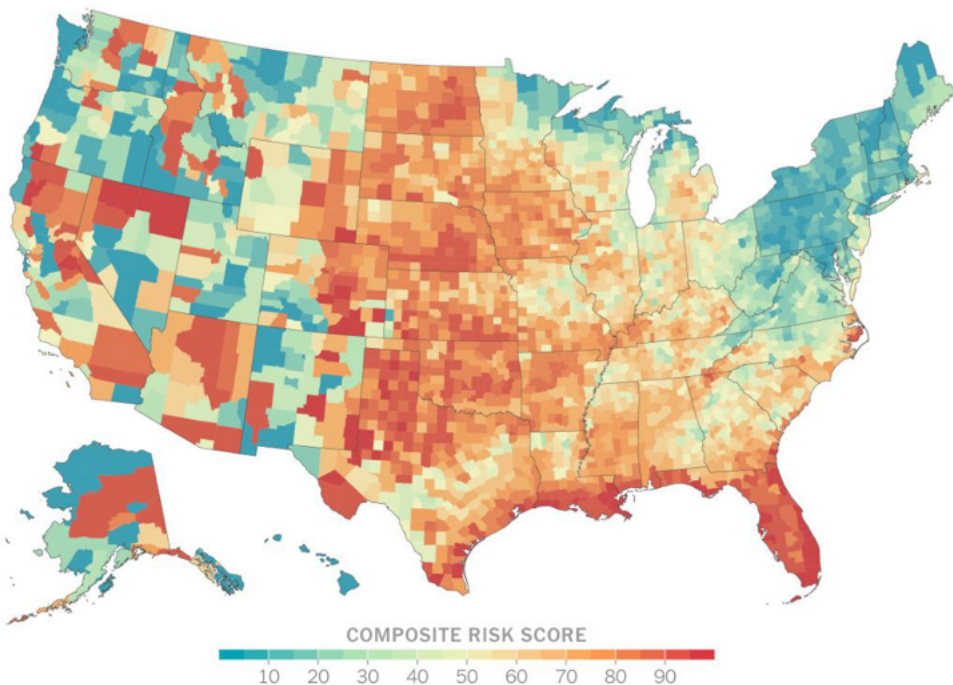
Founded in 2024 as the community of practice working to harness risk transfer for the common good.

Partners with communities and the public sector to:

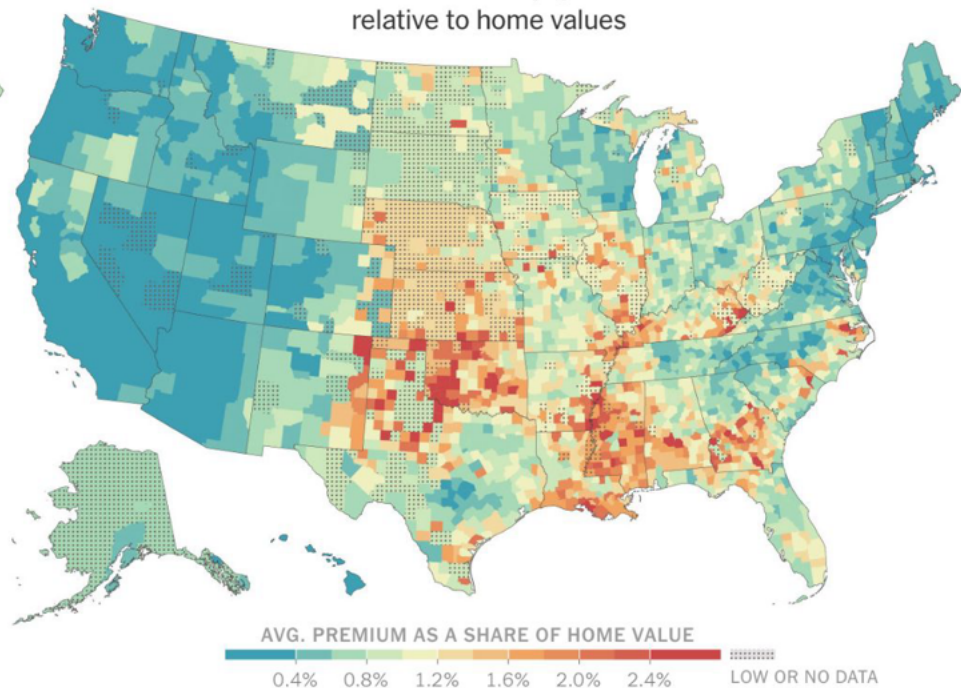
- Curate shared resources
- Deliver capacity-building
- Incubate open-source and innovative risk transfer
- Improved policy and regulation



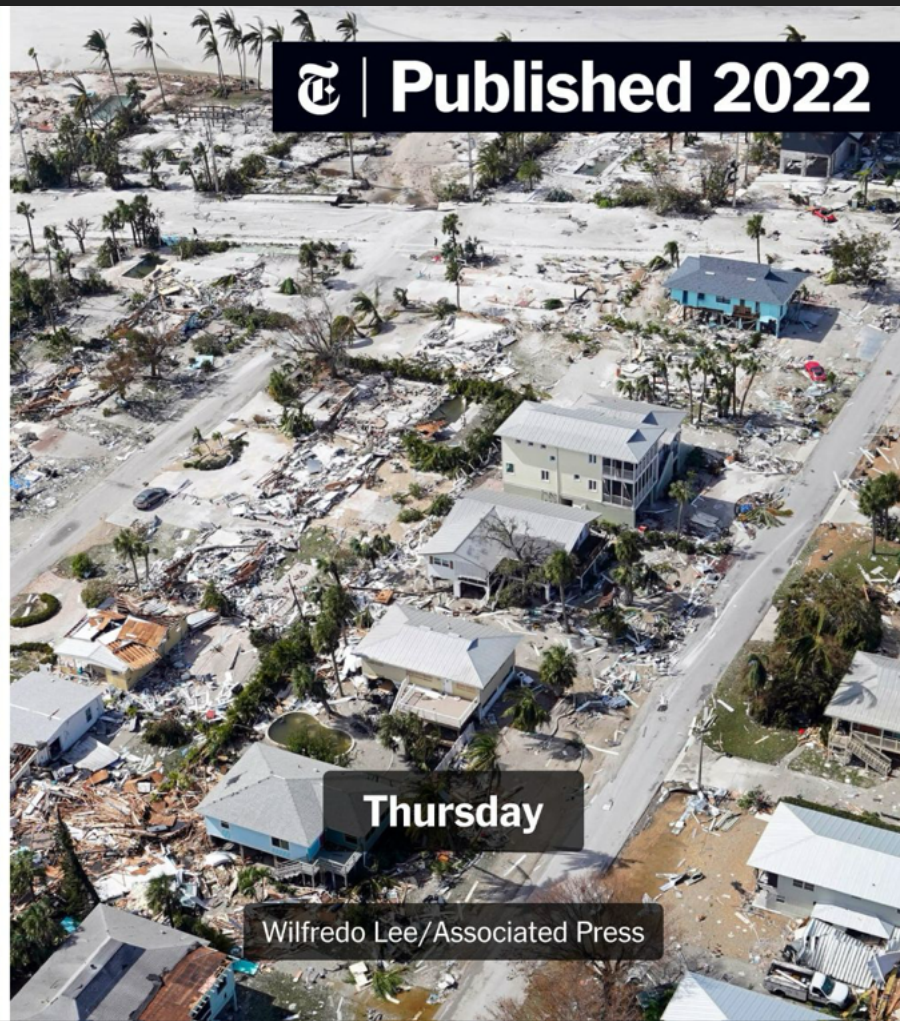
Where properties are **most at risk**



Where homeowners **pay the most** relative to home values



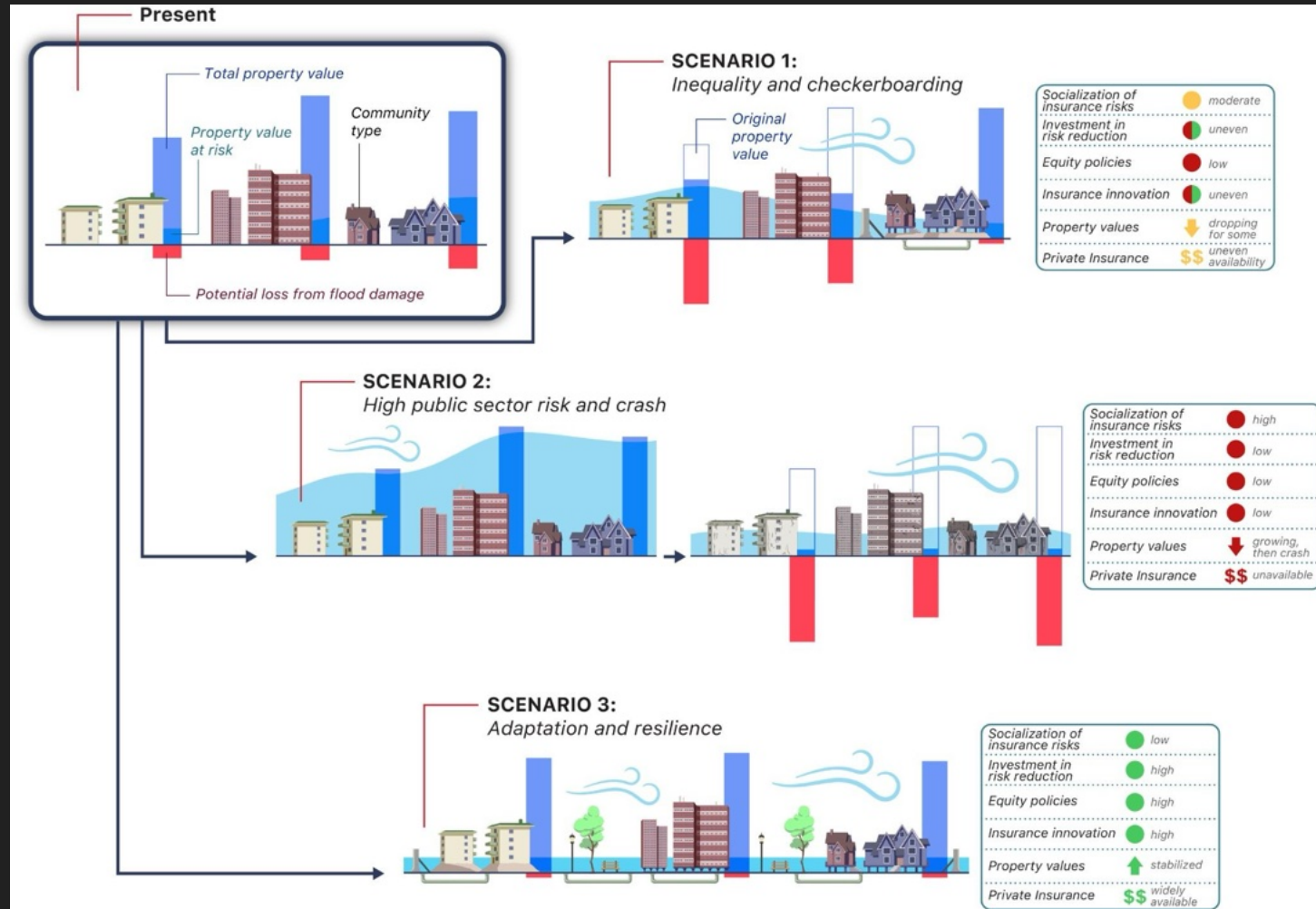
Sources: Keys and Mulder, National Bureau of Economic Research (2024); Zillow; FEMA; First Street Foundation. - Note: "Average premium as a share of home value" compares median home insurance premium in 2023 to Zillow's typical home value estimate in each county. State average shown in counties with few or no observations.



Published 2022



Insurance and climate risks: Policy lessons from three bounding scenarios (2024)





REPORT

The 2024 Miami-Dade Property
Insurance Strategy Forum

**Collaborating across sectors to address
the property insurability crisis**

Takeaways:

- Think long-term and act now
- Housing and insurance crises are linked
- Invest in risk reduction/resilience
- Link underwriting to risk reduction
- Educate with and through agents
- Coordinate state and local policy

Recommendations

1. Learn from Florida, do not copy its mistakes
 - a. Collect data on coverage and affordability (cost as % of property value covered)
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Thank you!

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