Recommendations: final edits and votes

For each proposed recommendation:

- Slide with draft language as introduced
- Proposed revisions shown in red

Draft Recommendation #1 (original)

The Task Force recommends that Minnesota FAIR Plan examine the feasibility of offering insurance products to common interest communities and affordable housing providers, and report to the legislature its findings.

Draft Recommendation #1 **(revised)** (1 of 2)

The Task Force recommends that Minnesota FAIR Plan examine the feasibility of offering commercial property insurance products ~~to~~ for homeowners, common interest communities and affordable housing apartments, duplexes, and other multi-unit properties, and report to the legislature its findings. The study should be funded from the current FAIR plan budget without requiring additional insurance company assessments in current or future years to pay for the study's cost.

(continued on next slide)

Draft Recommendation #1 **(revised)** (2 of 2)

(Continued from previous slide)

Any study should include actuarial research on properties falling into the above categories for premium and property value size to set eligibility parameters and premiums that would ensure reserve adequacy to cover claims without insurance company assessments. The study and any recommendations should continue to recognize that the FAIR plan is a market of last resort only. Any study should assume that historical properties would be insured on a functional replacement cost or actual cash value basis.

Draft Recommendation #2

The Task Force recommends the Minnesota Fair Plan update the board composition so public members have a majority, require the FAIR Plan to conduct financial stress tests based on climate risk exposure, expand coverage options to offer a product to affordable housing providers. FAIR Plan would be responsible for implementing this recommendation, with the Commerce Department responsible for ensuring it occurs.

Draft Recommendation #2 (original)

~~The Task Force recommends the Minnesota Fair Plan update the board composition so public members have a majority, require the FAIR Plan to conduct financial stress tests based on climate risk exposure, expand coverage options to offer a product to affordable housing providers. FAIR Plan would be responsible for implementing this recommendation, with the Commerce Department responsible for ensuring it occurs.~~

The Task Force recommends the Legislature amend the Minnesota FAIR plan's board composition to have a majority of public members.

Draft Recommendation #3

The Task Force recommends that the legislature fully fund the Strengthen Minnesota Homes Program found in Minn. Stat. 65A.299.

Draft Recommendation #3

The Task Force recommends that the legislature ~~fully~~ fund the Strengthen Minnesota Homes Program found in Minn. Stat. 65A.299.

Draft Recommendation #4

The Task Force recommends that the Department of Labor and Industry update the building codes to incorporate a version of the IBHS FORTIFIED roofing standards into residential and commercial building codes through the Construction Codes Council process.

Draft Recommendation #4

The Task Force recommends that the Department of Labor and Industry update the building codes <u>for new construction</u> to incorporate a version of the IBHS FORTIFIED roofing standards into residential and commercial building codes through the Construction Codes Council process.

Notes:

- Proposed edit from January 17 meeting shown in red underline
- Legislative language drafting is in progress

Draft Recommendation #5 (original)

- Creation of Catastrophic and Mitigation Savings Accounts
- Legislature to approve, Department of Revenue to oversee implementation and operation.

Draft Recommendation #5 (revised)

The Task Force recommends the ~~C~~creation of Catastrophic and Mitigation Savings Accounts.

- ~~Legislature to approve, Department of Revenue to oversee implementation and operation.~~

Note: Legislative language example (Resilience Savings Account Draft Language) is posted on the Task Force Meetings page: https://www.lcc.mn.gov/hcpi/meetings.html

Draft Recommendation #6 (original)

The Task Force recommends passage of Senate File 2929: Consumers in Crisis Protection Act, as introduced during the 2025 MN Legislative session.

Draft Recommendation #6 (revised)

~~The Task Force recommends passage of Senate File 2929: Consumers in Crisis Protection Act, as introduced during the 2025 MN Legislative session.~~

The Task Force recommends that the legislature continue to examine the issues relating to third-party financing of litigation raised during the Task Force's deliberations through the legislative committee process, including an exploration of unresolved legal issues identified by the courts due to perceived ambiguities in current law.

Draft Recommendation #7 (original)

Clarify alternative dispute resolution statutes so consumers and insurers understand that policyholders have two years from the date of loss to initiate the appraisal process for any type of claim. The recommendation would require legislative action.

Draft Recommendation #7 (revised)

The Task Force recommends that the legislature ~~C~~clarify the alternative dispute resolution statutes so consumers and insurers understand that policyholders have two years from the date of loss to initiate the appraisal process for any type of claim. ~~The recommendation would require legislative action.~~