

A bill for an act

relating to insurance; prohibiting nonrenewal of homeowner's insurance based upon a claim that the insurer denied or did not make a payment on; prohibiting premium increases based on certain factors; amending Minnesota Statutes 2006, section 65A.29, subdivision 11, by adding a subdivision.

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

Section 1. Minnesota Statutes 2006, section 65A.29, subdivision 11, is amended to read:

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

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

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

EFFECTIVE DATE. This section is effective August 1, 2007.

Sec. 2. Minnesota Statutes 2006, section 65A.29, is amended by adding a subdivision to read:

H.F. No. 1969, as introduced - 85th Legislative Session (2007-2008)

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, 2007.