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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2603

03/06/2023

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

1.1 A bill for an act
1.2 relating to insurance; prohibiting household exclusions in policies of automotive
1.3 insurance; proposing coding for new law in Minnesota Statutes, chapter 65B.

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

1.5 Section 1. 65B.137 HOUSEHOLD EXCLUSIONS.

1.6 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.7 the meanings given them.

1.8 (b) "Household exclusion" means an exclusion for, limitation on, or reduction of insurance
1.9 coverage for bodily injury based on the injured person's status as a resident of the insured's
1.10 household or as a relative of the insured. For purposes of this section, a person resides in
1.11 the same household with the insured if the person's home is usually in the same family unit,
1.12 even if the person is temporarily living elsewhere.

1.13 (c) "Insured" means an insured under a policy of automobile insurance, as defined in
1.14 section 65B.14, subdivision 2, regardless of whether the insured is identified by name in
1.15 the policy.

1.16 (d) "Relative" means, with respect to an insured:

1.17 (1) a spouse, including a domestic partner in a civil union or other registered domestic
1.18 partnership recognized by the state, and a spouse's parent;

1.19 (2) a child and a child's spouse;

1.20 (3) a parent and a parent's spouse;

1.21 (4) a sibling and a sibling's spouse;

2.1 (5) a grandparent, a grandchild, or a spouse of a grandparent or grandchild; or

2.2 (6) any other individual who is related to the insured by blood or affinity and whose
 2.3 association with the insured is equivalent of a family relationship, including but not limited
 2.4 to:

2.5 (i) a child of a sibling of the insured;

2.6 (ii) a sibling of the parents of the insured; and

2.7 (iii) a child-in-law, a parent-in-law, a sibling-in-law, and a grandparent-in-law.

2.8 (e) For the purposes of this section:

2.9 (1) a child includes but is not limited to a stepchild; biological, adopted, or foster child
 2.10 of the insured; or a child for whom the insured is standing or stood in loco parentis;

2.11 (2) a grandchild includes a stepgrandchild or biological, adopted, or foster grandchild
 2.12 of the insured;

2.13 (3) a parent includes a stepparent; biological, adoptive, or foster parent of the insured;
 2.14 a legal guardian; or an individual who stood in loco parentis to the insured; and

2.15 (4) a grandparent includes a stepgrandparent or biological, adoptive, or foster grandparent
 2.16 of the insured.

2.17 Subd. 2. **Prohibition on household exclusion.** (a) A policy of automobile insurance,
 2.18 as defined in section 65B.14, must not contain a household exclusion. A household exclusion
 2.19 in a policy of automobile insurance is void.

2.20 (b) Notwithstanding paragraph (a), a policy of automobile insurance may contain a
 2.21 household exclusion solely for insurance coverage for bodily injury resulting from fraud,
 2.22 intentional or criminal conduct, and other exclusions expressly permitted by law.

2.23 Subd. 3. **Prohibition on increasing premium costs.** An insurance company issuing or
 2.24 reissuing a policy in Minnesota is prohibited from increasing the premium charged to an
 2.25 insured as a result of this section.

2.26 Subd. 4. **No endorsement required.** An endorsement, rider, or contract amendment is
 2.27 not required for this section to be effective with respect to policies in effect on August 1,
 2.28 2023.

2.29 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to all policies
 2.30 of automobile insurance in effect on or after that date.