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State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. 4047

03/19/2018 Authored by Fenton, Peppin, Daudt, Zerwas, Hortman and others  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to insurance; regulating certain coverage exclusions; proposing coding  
1.3 for new law in Minnesota Statutes, chapter 60A.

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

1.5 Section 1. 60A.0812] PROPERTY AND CASUALTY POLICY EXCLUSIONS.

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

1.8 (a) "Insured" means an insured under a policy specified in subdivisions 2 and 3 including  
1.9 the named insured and the following persons not identified by name as an insured while  
1.10 residing in the same household with the named insured including:

1.11 (1) a spouse;

1.12 (2) other relative of a named insured residing in the same household; or

1.13 (3) a minor in the custody of a named insured or of a relative residing in the same  
1.14 household with a named insured.

1.15 A person resides in the same household with the named insured if that person's home is  
1.16 usually in the same family unit, even though temporarily living elsewhere.

1.17 (b) "Permitted exclusion" means an exclusion of, or limitation on liability for, damages  
1.18 for bodily injury resulting from fraud, intentional or criminal conduct, and other exclusions  
1.19 permitted by law.

2.1 (c) "Prohibited exclusion" means an exclusion of, or limitation on, liability for damages  
2.2 for bodily injury solely because the injured person is a resident or member of the insured's  
2.3 household, or is related to the insured by blood or marriage.

2.4 Subd. 2. **Prohibited exclusions.** A boat insurance policy or personal umbrella policy  
2.5 must not contain a prohibited exclusion. A policy subject to this section containing a  
2.6 definition of an insured that excludes a resident or member of the insured's household or is  
2.7 related to the insured by blood or marriage is against public policy and is void.

2.8 Subd. 3. **Permitted exclusions.** A boat insurance policy or personal umbrella policy  
2.9 may contain a permitted exclusion.

2.10 Subd. 4. **Effect on premium costs.** An insurance company issuing or reissuing a policy  
2.11 in Minnesota seeking to increase the premium charged to an insured as a result of this section  
2.12 must first obtain approval of the premium increase from the commissioner of commerce.  
2.13 The commissioner shall not deny a premium increase request that is supported by actuarial  
2.14 and claim data. A hearing on a rate increase must be conducted pursuant to chapters 14, 45,  
2.15 and 70A.

2.16 Subd. 5. **No endorsement required.** No endorsement, rider, or contract amendment is  
2.17 required for the definitions in this section to be effective.

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
2.19 applies to policies in effect on or after that date.

2.20 Sec. 2. **FAMILY PROTECTION ACT.**

2.21 Section 1 may be cited as the "Family Protection Act."