

**Testimony of
American Property Casualty Insurance Association
Commerce Finance and Policy Hearing on House File 3938
March 18, 2026**

MN HF 3938 Firearm Owners Liability Bill

The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 44.9% of the homeowners insurance market in Minnesota. APCIA welcomes the opportunity to comment on Minnesota’s proposed Firearm Owners Liability Bill. APCIA appreciates the work of the Minnesota Legislature in drafting the proposed legislation.

Homeowners, dwelling, and condo owners policies cover an insured’s liability resulting from accidents, including those accidents resulting from accidental discharge of a firearm. Therefore, this legislation is unnecessary. APCIA generally opposes insurance coverage mandates as they undermine contract certainty and solvency.

Additionally, mandatory coverage, mandatory offers, or mandatory underwriting actions increase costs and reduce market participation. APCIA consistently advocates for market-based solutions instead of mandated coverage requirements.

Bill Specifics:

As for the bill itself, it should apply only to authorized insurers in Minnesota. Imposing such insurance requirements on surplus lines companies would unnecessarily impede their ability to write certain risks in Minnesota.

The surplus lines market plays a vital role in ensuring access to property insurance coverage for risks that the admitted market is unable or unwilling to underwrite. Often called the “safety valve” of the insurance industry, surplus lines insurers fill the need for coverage in the marketplace. With the ability to accommodate a wide variety of risks, the surplus lines market acts as an effective supplement to the admitted market. Mandates that force surplus lines participation, coverage expansion, or standardized terms conflict with the Nonadmitted and Reinsurance Reform Act (NRRRA) framework and reduce flexibility in the excess and surplus lines market. Including non-admitted insurers in the scope of the contemplated legislation would make Minnesota an outlier and be an unprecedented and significant departure from longstanding public policy.

Homeowners’ liability coverage limits are written on an occurrence basis. The wording of the bill implies that an insured may be covered for an unlimited number of injured parties as the result of an accidental discharge of a firearm. A gun incident may also damage real or personal property of others so those damage amounts, if covered, would be included in the total occurrence limit.

Requiring proof of insurance creates many issues for consumers and insurance companies. “Proof of insurance” is often misunderstood as proof of compliance, adequacy, or guaranteed coverage. Third parties may incorrectly assume that coverage cannot be canceled or nonrenewed. Proof requirements can

unintentionally convert informational documents into a form of guarantee, and they can become outdated almost immediately. Homeowners may make coverage changes mid-term, their policies may lapse for nonpayment, or the property insured may be sold.

Insurance coverage proof requires insurers and agents to create, verify, transmit, and track proof documents, often outside normal workflows. These requirements drive manual processing, staff time, and IT system changes with no underwriting or risk-reduction benefit. These costs are ultimately passed to consumers through higher premiums or fees.

Insurance agents become de facto compliance officers as they will need to respond to proof requests, explain coverage limits to third parties, which will increase errors & omissions exposure for producers.

Insurers may need to create a second declarations page for their customers to show they comply with these provisions. If passed, the law would require insurance companies to review the information contained on their declaration pages and remove any nonpublic, personally identifiable information or proprietary insurance policy details. Failing to do so exposes insurance companies and their customers to potential data breach risk or improper use of information. Insurers will need time to review their processes, declarations pages, and subsequently program any changes in their systems.

This bill would impose unnecessary compliance costs on consumers who own firearms by requiring court appearances to prove they have an insurance policy in place at the time of an incident. As stated, this burden is overly duplicative, as homeowners policies generally provide coverage for accidents. On behalf of our members, we urge the Commerce Finance and Policy Committee to vote no on House File 3938.

Respectfully,



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APCIA