

**Testimony of
American Property Casualty Insurance Association
Commerce Finance and Policy Hearing on House File 2249
March 13, 2023**

The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. Our members write more than 66% of all and property and casualty sold in Minnesota. On behalf of our members, we offer this testimony in opposition to House File 2249.

Minnesota courts have affirmed for many decades the validity of household exclusion clauses in boat insurance and umbrella insurance policies, including the Minnesota Supreme Court just recently. ([see Poitra v. North Star Mutual \(Nov. 24, 2021\)](#)). Such exclusions are common and operate to deny liability coverage for personal injuries to the named insured and residents of the named insured's household. They serve an important purpose in controlling risks and keeping premiums low because family members often injure each other and may be naturally incentivized to cooperate with each other to the detriment of the insurer.

The legislature should not be stepping into contracts between two parties and invalidating otherwise legally enforceable and agreed-upon exclusions. Invalidating resident-relative exclusions may increase insurance rates, price out consumers who need coverage, and encourage collusive claims.

Family medical coverage is offered already in Minnesota as an addition to boat and umbrella policies, making passage of a bill unnecessary. If passed, this legislation could make boat insurance and umbrella insurance for boat owners much more expensive.

On behalf of our members, we urge the Commerce and Finance Policy committee to vote no House File 2249.

Respectfully,



Brooke Kelley
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APCIA