



# Stabilizing Minnesota's Insurance Market

SF 2205 | HF 2228

**Access to stable insurance coverage is a critical foundation for strong, resilient communities across the state.** From affordable housing developers who operate homes for thousands of families to the small businesses that drive our local economies, Minnesotans rely on insurance to safeguard their properties and comply with requirements from their investors and lenders. Right now, the spiraling cost of insurance has become an alarming burden on property owners of all kinds. **That's why Minnesota needs a multi-sector, bi-partisan task force to study the issue and explore solutions to support a more stable insurance sector.**

## Minnesota's Multi-Sector Insurance Crisis

New research from the Minneapolis Federal Reserve confirms what MCCD has been hearing from our members on the ground, homeowners and commercial property insurance is becoming increasingly expensive and hard to get.

This leaves small business owners, multifamily property owners and homeowners in the difficult situation of having to use reserves to cover insurance premiums and fund repairs that were formerly covered by insurance with dollars out-of-pocket.

These troubling trends put additional strain on those that house our most vulnerable residents, first-time homebuyers raising their families, and small businesses on the main streets of the communities we call home.

### NEW RESEARCH SHOWS

On average, **premiums from 2021 to 2024 increased 45%** for multifamily housing operators.

**Minnesota Homeowners pay 38% more** for home insurance than the national average.

**700% average increase in deductibles** for multifamily housing operators from 2021 to 2024.

*Data from the Minneapolis Federal Reserve  
& NerdWallet*

**“We have submitted as many as 50 applications, to get just one quote with a high premium and deductible. This has resulted in unsustainable premium growth as a provider of affordable housing. For example, in the last 4 years we have seen premiums grow 60%, when we used to see single digit year-over-year increases.”**

- Mary Novak, Executive Director Riverton Community Housing

## Together, we can identify solutions to this crisis

Minnesotans are proud to live in a state where lawmakers work together to identify solutions to complex problems that impact families and workers statewide. Outlined in SF 2205/HF 2228, the Homeowner and Commercial Property Insurance Industry Task Force would:

- Be convened by the Legislative Coordinating Commission shortly after the conclusion of the 2025 legislative session
- Include members from:
  - The legislature
  - The department of commerce
  - Insurance industry experts
  - Community development organizations representing affordable multifamily housing, affordable homeownership and small business economic development
- Focus on key areas like:
  - Costs drivers
  - A review of liability laws
  - Risk mitigation for claims
  - State supported reinsurance and/or insurance fund



**“This bill takes an important first step towards addressing unstable insurance rates that we’ve been hearing about for years. Our bill creates a task force that gets all parties to the table so they can create recommendations for the industry to consider. This is a unique problem that requires a bipartisan solution, and I’m happy to be part of this effort.”**

Senator Karin Housley (33-R)



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