



April 15, 2026

Re: Support HF 4223 (Elkins)

Dear Members of the Minnesota House Commerce Finance and Policy Committee:

I write today on behalf of Climate Cabinet Action to express our **SUPPORT** for **HF 4223**, which fulfills a major recommendation from the Task Force on Homeowners and Commercial Property Insurance (HCPI) by increasing funding for the Strengthen Minnesota Homes Program.

Climate change is causing disruptions in property insurance markets throughout the country.¹ As growing losses from climate disasters place major pressure on property insurance, insurance markets are becoming an important source of our nationwide affordability crisis. A May 2025 analysis from JPMorgan found that “Persistent home insurance inflation is becoming an acute challenge for home buyers and homeowners in the United States today,” and research published in December 2025 estimated that climate factors are driving household costs up by about \$900 annually, with insurance costs forming over half of that growth.^{2 3}

Minnesota is experiencing this crisis acutely. In fact, a recent study from Insurify estimated that **Minnesota saw the sharpest rate of insurance premium increases of any state in the U.S. last year**— only the latest data point showing distress in Minnesota’s property insurance markets.⁴ A March 2025 survey of multi-family housing unit owners released by the Federal Reserve Bank of Minneapolis found that insurance premiums are rising sharply, and that some property owners are increasing rents due in part to higher insurance costs.⁵

Last year, the *Wall Street Journal* reported that “Climate change has likely made hailstones bigger and brought storms to new places,” causing losses from hail storms in Midwestern states to exceed losses from wildfire and hurricane damages in many

¹ Climate Cabinet Education, *Climate Risk and State Insurance Policy: 2025 in Review*, [December 2025](#)

² JPMorgan, *How climate risk— and losses— are creating high prices for home insurance*, [May 2025](#)

³ Heatmap, *Climate change is already costing U.S. households up to \$900 per year*, [December 1, 2025](#)

⁴ Minnesota Reformer, *Report: Minnesota’s home insurance rates rose 34% in 2025, the highest rate in the nation*, [March 19, 2026](#)

⁵ Federal Reserve Bank of Minneapolis, *Rising property insurance costs stress multifamily housing*, [March 4, 2025](#)



instances.⁶ By the end of the year, this long-term pattern was confirmed when a report by Aon found that 2025 was the sixth consecutive year with insured losses exceeding \$100 billion, and noted that it was the first year where losses from severe convective storms (SCS) exceeded losses from hurricanes.⁷

A report on SCS risk released in late March found that nearly 1.8 million homes in Minnesota are facing moderate or greater hail damage risk.⁸ The estimated total reconstruction cost value (RCV) of these homes is \$899 billion. **Minnesota ranks in the top five in the report’s ranking of states with the most “homes and associated RCV with moderate or greater risk to hail damage.”**

Thankfully, Minnesota’s government has begun to take steps to address this growing problem. The Strengthen Minnesota Homes program established in 2023 builds off models from other states with proven results in lowering insurance losses and easing insurance market disruptions.⁹ Importantly, Minnesota’s legislature created this program with affordability in mind. By mandating that insurance policyholders receive discounts when they take proven actions to fortify their home, Minnesota’s legislature created one of the stronger models for state mitigation programs nationally.¹⁰

Minnesota’s leadership has also been recognized at the National Association of Insurance Commissioners (NAIC). During the NAIC’s Spring 2026 meeting, Commerce Department Commissioner Grace Arnold described actions that the department is taking to support Minnesotans through a “whole home” approach that promotes fortified roofs but also energy efficiency and weatherization.¹¹ During that same presentation, however, Commissioner Arnold acknowledged that providing robust, sustained funding for these initiatives is a challenge.

Indeed, when the Strengthen Minnesota Homes program was created three years ago, the \$1 million in pilot program funding that the legislature provided fell well short of

⁶ Wall Street Journal, *In America’s Insurance Crisis, Hail Hits Harder Than Hurricanes and Fires*, [March 17, 2025](#)

⁷ Aon, *Future of insurability in the face of catastrophe risk*, [March 2026](#)

⁸ Cotality, *2026 Severe Convective Storm Risk Report*, [March 24, 2026](#)

⁹ Insurance Institute for Business and Home Safety, *Study Shows IBHS FORTIFIED Program Reduced Hurricane Sally Damage*, [May 2025](#)

¹⁰ National Association of Insurance Commissioners, *State Mitigation Programs*, [2023](#)

¹¹ National Association of Insurance Commissioners, *From Hurricane and Severe Convective Storm Mitigation to Wildfire Resilience: Lessons Learned*, [March 23, 2026](#)



Governor Walz’s initial proposal to provide \$16 million in each of the program’s first two years to “help insurance markets remain stable, competitive, and affordable.”¹²

Last year, Minnesota’s legislature authorized the Task Force on HCPI to “evaluate issues and provide recommendations relating to insurance affordability.”¹³ The Task Force consisted of a bipartisan set of legislators, and also included representatives from the Commerce Department and the insurance industry, as well as stakeholders with expertise in housing, contracting, and climate risk. After months of deliberations and expert testimony, one of the key policy recommendations from the Task Force was “that the Legislature fund the Strengthen Minnesota Homes Program found in Minn. Stat. 65A.299.”¹⁴

Academic experts have also recommended that state mitigation programs like Strengthen Minnesota Homes demonstrate a “sustainable pathway” toward a long-term funding commitment.¹⁵ **Acting on these recommendations is one major way for Minnesota policymakers to help promote affordability, since it will enable a greater number of Minnesotans to qualify for the premium discounts recently finalized by the Commerce Department.**¹⁶

For these reasons, we respectfully request your YES vote for **HF 4223**.

Sincerely,
Jordan Haedtler
Climate Cabinet Action

¹² E&E News, *Minnesota aims to fund its home hardening program— at last*, [March 24, 2026](#)

¹³ Task Force on Homeowners and Commercial Property Insurance, *Final Report to the Minnesota Legislature*, February 13, 2026

¹⁴ Ibid.

¹⁵ E&E News, *Minnesota aims to fund its home hardening program— at last*, [March 24, 2026](#)

¹⁶ Department of Commerce, *Development of Catastrophe Mitigation Discount Table*, [March 2026](#)