



March 14, 2023

Dear House Commerce Committee Members,

The Minnesota Association of Farm Mutual Insurance Companies (MAFMIC) was founded 128 years ago to serve the township mutual insurance industry in Minnesota. Today our association represents more than 80 member insurance companies that operate across the state of Minnesota.

On behalf of MAFMIC, I'm writing to you today to urge you to oppose House File 2249.

We have significant concerns with this bill as written. First, is the impact of the legislation on the cost of boat and umbrella coverage in Minnesota. Increasing coverage through statute will almost certainly raise the number of claims insurance companies marketing the affected products in the state will incur. This will in turn cause the rise of rates for companies continuing to write the affiliated coverages with the end result being higher prices for boat and umbrella insurance policyholders. Policyholders are already experiencing inflation in many of their insurance coverages, this bill would further exacerbate those price increases.

Secondly, this bill limits coverage choices for Minnesotans. Currently, Minnesotans can elect to purchase a policy that includes coverage for resident household members should that be their preference. Conversely, Minnesotans who do not feel they need the coverage, and would like to save the premium dollars, can choose a policy that leaves household family members excluded. Passing this bill would remove that option for Minnesotans, essentially forcing all to purchase this coverage.

Minnesotans enjoy a healthy and competitive property and casualty insurance marketplace in Minnesota. Efforts to further regulate this industry through statute have the potential to disrupt our marketplace and make our state insurance market less competitive; we urge you to oppose this legislation.

Thank you for your consideration,

Adam Axvig

President and CEO

Minnesota Association of Farm Mutual Insurance Companies