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April 15, 2026

Commerce Finance and Policy Committee
Minnesota House of Representatives
658 Cedar St.
Saint Paul, MN 55155

Co-Chairs Koegel and O'Driscoll and Members of the Committee,

My name is Elyse Schupak, and I am a policy advocate with Public Citizen, a nonprofit consumer advocacy organization working to advance the public interest in government, with over 17,000 members and supporters in Minnesota. **I am testifying in support of H.F. 4223 to modify and appropriate funding for the Strengthen Minnesota Homes program.**

Escalating climate disasters, including severe convective storms, are driving up insurance costs and reducing insurance availability in Minnesota. Last year, home insurance rates in Minnesota increased by 34 percent, the largest rate increase of any state in the U.S.¹ In some geographies, standard insurance is entirely unavailable due to insurer retreat from climate-vulnerable areas. The rising cost of property insurance is creating financial strain for many homeowners. Research published by the Federal Reserve Bank of Dallas found that rising property insurance costs are driving up household indebtedness as well as mortgage and credit card delinquencies.²

The insurance industry's approach of managing growing climate-related losses through rate increases and retreat has proved profitable for insurers. In 2024, the insurance industry took in \$25 billion in underwriting profit and \$164 billion in investment income.³ The property

¹ Matt Brannon, Insurify Projects Home Insurance Rates Will Rise for the 5th Consecutive Year, After a 12% Increase in 2025, Insurify (Mar. 18, 2026),

<https://insurify.com/homeowners-insurance/report/home-insurance-price-projections/>.

² Shan Ge, Stephanie Johnson, and Nitzan Tzur-Ilan, Climate Risk, Insurance Premiums, and the Effects on Mortgage and Credit Outcomes, the Federal Reserve Bank of Dallas (Jan. 2025),

<https://www.dallasfed.org/-/media/documents/research/papers/2025/wp2505.pdf>.

³ Kenny Stancil, Don't Let Home Insurers Fool You. They're More Profitable Than Ever, The Revolving Door Project (July 14, 2025),

<https://therevolvingdoorproject.org/mapping-the-home-insurance-crisis-underwriting-profits/>.

insurance industry had another windfall year in 2025. S&P Global estimates insurers made nearly \$60 billion in underwriting profit last year.⁴

But continued rate increases and retreat will not support viable property insurance markets over the long-term. Insurance companies should invest in building climate resilience that will reduce losses in the event of a disaster and keep properties insurable.

The rise of severe convective storms in Minnesota, with an estimated 1.8 million homes in the state at risk of hail damage, makes widespread roof fortification in the state essential.⁵ H.F. 4223 will make needed appropriations for the Strengthen Minnesota Homes program, funding roof fortification grants for homeowners to reduce damages and insurance claims following severe wind and hail events.

Public Citizen supports the \$35 million appropriation from the state's general fund for the Strengthen Minnesota Homes program this year. Though going forward, the committee should pursue stable and ongoing program funding from the insurance industry. Alabama, Oklahoma and Maine, among other states, already fund roof fortification programs with fees on the insurance industry. The Committee should consider fee increases on insurers proportional to their underwriting profits or rate increases to secure funding for the program at the scale required.

In program implementation, the Department of Commerce should prioritize making grants accessible to low- and moderate-income homeowners who do not have the ability to make up-front investments in climate resilience but would benefit most from reductions in climate damages and costs over the long-term. We support the provision in this bill to prioritize homeowners whose household income is at or below 115 percent of the area median income in grant disbursement. The Department should consider other measures, including larger grant sizes and low-cost financing options for costs not covered by the grant, for these households as well.

Public Citizen urges the committee to pass H.F. 4223. Thank you for your time and attention to this issue.

Elyse Schupak
Policy Advocate
Public Citizen

⁴ Jean Eaglesham, The Uproar Over Affordability Is Coming for Insurers, The Wall Street Journal (Jan. 22, 2026), <https://www.wsj.com/finance/the-uproar-over-affordability-is-coming-for-insurers-3a85723a?>

⁵ Risk Report 2026: Severe Convective Storms, Cotality (Mar. 24, 2026), <https://www.cotality.com/resources/reports/2026-cotality-severe-convective-storm-risk-report>.