

# House Research Act Summary

**CHAPTER:** 120, Laws 1999

**SESSION:** 1999 Regular Session

**TOPIC:** FAIR plan

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## Overview

This act involves what is known as the FAIR plan. This acronym stands for "Fair Access to Insurance Requirements." This is a high-risk pool for homeowner's insurance and business property insurance to provide coverage when it is not available in the normal private market. The FAIR plan in Minnesota is administered by the Minnesota Property Insurance Placement Facility (MPIPF).

### Section

- 1 **Purposes.** Clarifies language involving the purpose of the FAIR plan.
- 2 **Property or liability insurance.** Clarifies that the type of coverage available for condominium units is coverage for the owners of the condominium units.
- 3 **Board.** Adds a definition of the board of directors.
- 4 Clarifies eligibility to apply to FAIR plan. Revises statutory language to take into account that an inspection of the property may not always be performed and that the inspection may be performed by an entity under contract with the FAIR plan.
- 5 **Inspection.** Clarifies language to take into account that the applicant may not be present during the inspection.
- 6 **Inspection report.** Changes time frame and other aspects of preparation of the inspection report.
- 7 **Issuance of policy.** Provides that the FAIR plan must issue a policy, rather than a binder, if the property meets preliminary underwriting requirements. Permits rescission in the next 59 days if further analysis shows the policy should not have been issued.
- 8 Conforming change to the preceding section.
- 9 **Policy forms.** Requires homeowner's policies to be on standard forms. Requires all policies to be approved by the commissioner.

- 10 Conforming changes.
- 11 **Immunity from liability.** Broadens the FAIR plan's exemption from liability, including expanding it to include criminal liability.