

HOUSE RESEARCH

Bill Summary

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Subject: Township mutual insurance companies

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Overview

This bill deals with combination insurance policies ("combo policies") issued jointly by township mutual fire insurance companies and regular property and casualty insurance companies. Township mutual fire insurance companies are a type of cooperative-like entity that insures primarily rural property within a geographic area consisting of groups of contiguous counties approved by the commissioner of commerce.

1 **Combination policies.**

Subd. 1. Combination policies. Specifies that the portion of a "combo policy" issued by a township mutual that covers dwellings, regardless of whether a dwelling is owner-occupied, is governed by the laws that apply to township mutuals and not by the laws that govern "regular" property and casualty insurance companies.

Subd. 2. Homeowners's risk. Clarifies that township mutuals can market combo policies. Provides that the portions of all combo policies issued by a township mutual that cover "qualified and secondary property" including the dwellings referenced in subdivision 1, are exempt from the laws that govern "regular" property and casualty insurance companies.

Effective date: Immediate upon final enactment.