

Legislative Update 2016

The Minnesota Legislature adjourned in May after an extremely abbreviated session. This year's legislative agenda focused on taxes, bonding and a supplemental budget. All of the bills were passed with bipartisan support; however, Governor Dayton ending up pocket vetoing both the tax bill and the bonding bill. A pocket veto essentially means he refused to sign the legislation so it "died on his desk." The tax bill was meant to provide relief to business owners, veterans and students with college loans among.. The bonding bill was one of the most significant ever for transportation and water infrastructure - think Flint, Michigan.

The MNAES has growing support for legislation they introduced during the 2015 - 2016 legislative session. The bill required insurance companies to offer:

- * supplement insurance options to a policy;
- * require insurance companies to discuss a claim with a contractor;
- * require an insurance adjuster (with an insurance company) to have continuing education on Minnesota construction codes; and
- * would have allowed for certain findings e.g., Commerce Department findings to be admitted as evidence in a court case.

The MNAES was able to obtain signatures in both the House and the Senate to introduce the bill. While it didn't receive a hearing in either body, it received substantial positive feedback and an informational meeting with legislators, staff, the MNAES and the insurance federation.

Several bills adverse to the industry were also introduced. The MNAES lobbied legislators on the detriments of these pieces of legislation and none of them received a hearing.

- * Contractors would have been required to pay attorney's fees if they lost a court case on the home warranty statute (MN Statutes 327A);
- * Insurance policy limits would have been established for building code requirements; and
- * Clarifying in law that a public adjuster could not negotiate claims if the public adjuster was in anyway affiliated with a business that performs loss on repairs or storm damage.

The MNAES has been working to build relationships with the Departments of Commerce and Labor and Industry (DOLI). This last month a meeting commenced with Commerce and DOLI to discuss several issues that have made it difficult for contractors to perform a high quality job for their customer. Issues discussed including insurance companies requiring:

- * Unreacted to receive operating and profit;
- * A guidance memo on code requirements the insurance industry must pay on a claim;
- * Insurance company policy endorsements; and
- * Insurance companies directing consumers to preferred contractors.

The Departments will be working on a guidance memo for required building codes for storm repair damage. If you would like to submit codes you feel should be part of the guidance memo to assist a customer in getting their home repaired, please send them to Lisa Frenette at frenettela@gmail.com

Commerce was very interested that insurance companies have been changing policy endorsements. They have assigned insurance investigators to go over policies to look for other unfair changes in policy endorsements.

The MNAES will be scheduling in early September to continue working on these issues.

Please contact Lisa Frenette if you have questions or comments at frenettela@gmail.com.