



Task Force on Long-Term Sustainability of Affordable Housing

October 30, 2024



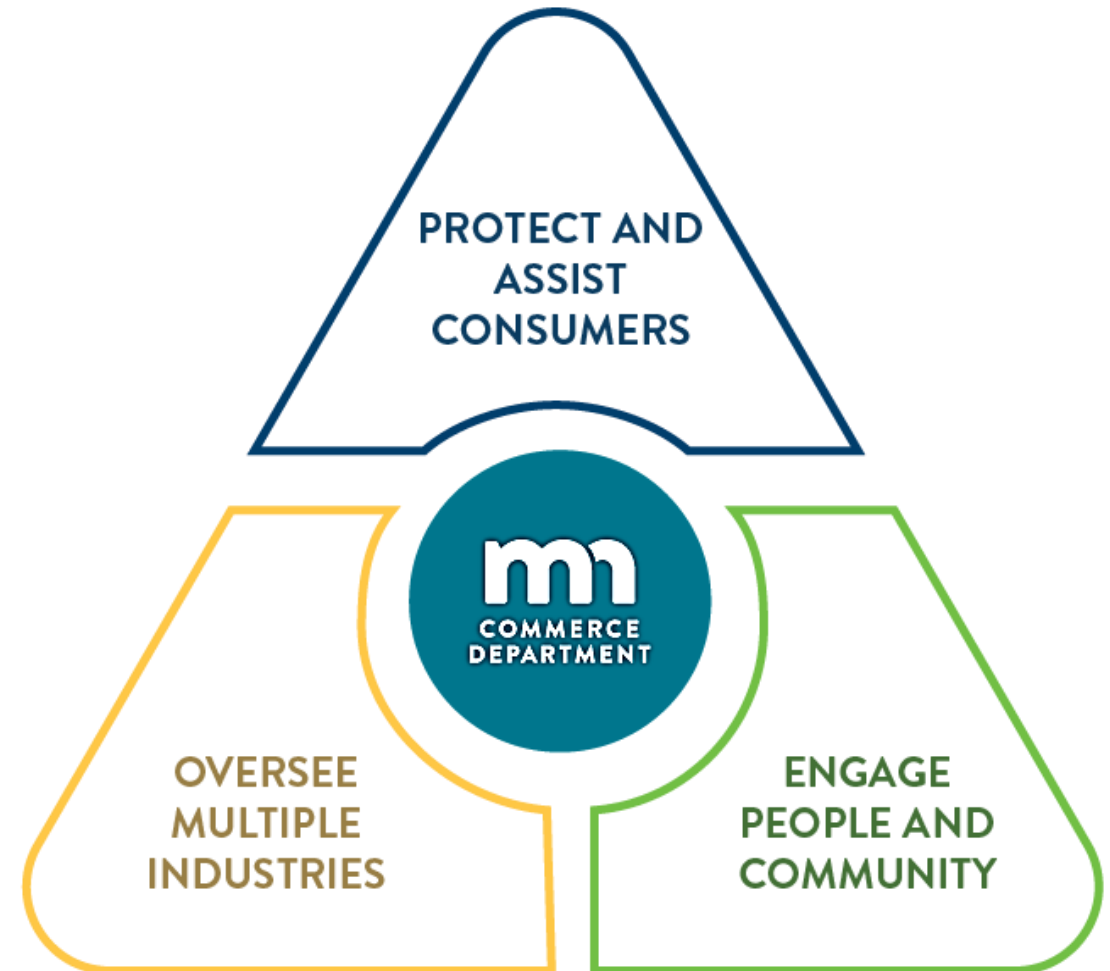
What does Commerce do?

Protect all Minnesotans in their everyday financial transactions by investigating and evaluating services, and advocating that the services be fair, accessible, and affordable.

Commerce protects the public interest

Mission

- Consumer centered
- Oversight: 40+ industry areas
- Engagement with all communities



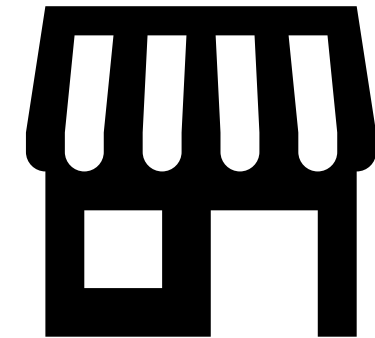
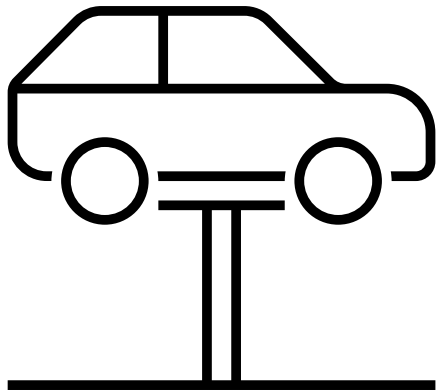
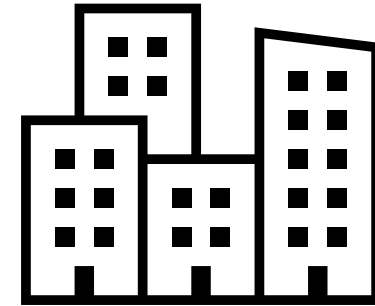
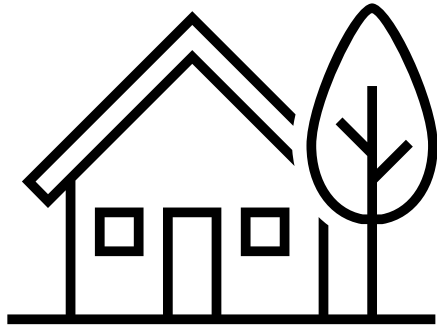
Commerce is Minnesota's Insurance Regulator

Insurance lines with Commerce oversight:

auto, health, homeowners, life, long-term care, workers' compensation

- Examine, analyze and license insurance carriers to ensure safety and claims-paying ability
- Accreditation renewed in 2022 by National Association of Insurance Commissioners (NAIC)
- Review form and rate filings to ensure that product offerings are fair and reasonable
- Monitor markets and make policy recommendations to maintain market health and stability

There are many types of insurance



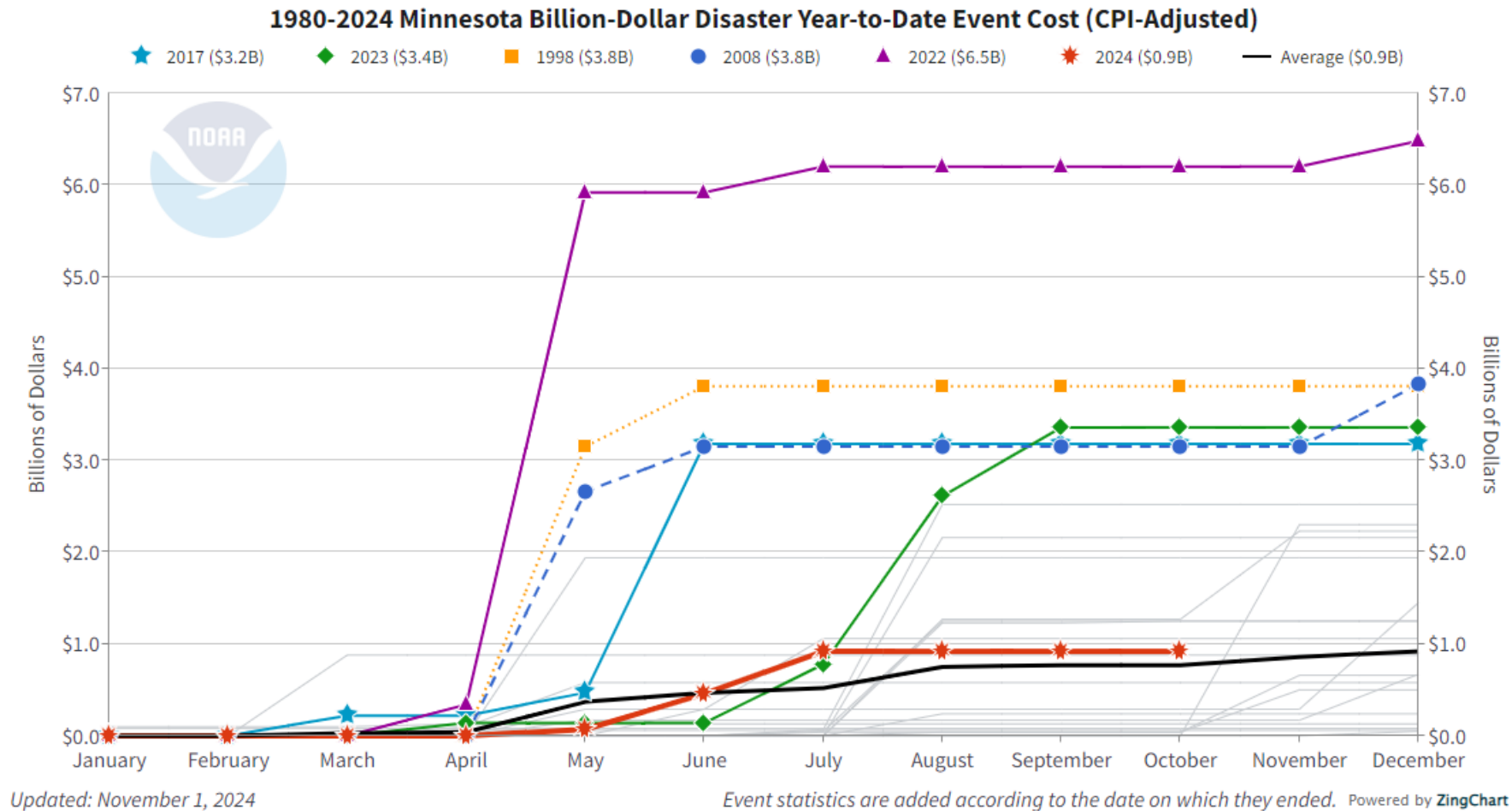
Commercial insurance rates are generally less regulated than other insurance lines in Minnesota

- Health insurance: Prior approval
- Property & Casualty: File and use
- Commercial: Exempt from filing rates and policy forms
- Regulatory structure similar to other states

Factors impacting market affordability and availability

- The law requires a balance between product availability and affordability with insurer solvency
- Similar factors are impacting markets across the country
 - Reinsurance costs
 - Labor & material supply costs
 - Inflationary pressures
 - Broader macroeconomic conditions
 - Litigation

2022 was Minnesota's costliest storm year yet



Where do we go from here?

- There are no quick fixes
- Multi-faceted issues that will likely require action from multiple industries, individual people, government and businesses
- Data, data, data
- Creativity
- What environmental factors allow for insurers to write in the commercial insurance market but selling insurance operators/people can afford (and use)?