



# Administrative Bulletin 2026-1

Date: March 23, 2026

To: All property & casualty insurers licensed in the State of Minnesota to sell homeowners insurance

Subject: Filing instructions for Minn. Stat. §65A.298

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On January 27, 2025, the Minnesota Department of Commerce (Commerce) issued a voluntary data call to property and casualty insurers licensed in the State of Minnesota writing homeowners insurance. Commerce gathered this data so it could better understand and obtain context to evaluate rate and rating plans filed by insurers as required by Minn. Stat. § 65A.298 in a timely and efficient manner.

Commerce has completed its review of the data gathered from the voluntary data call and now issues this bulletin to provide instructions to insurers regarding rate filing obligations set forth in Minn. Stat. § 65A.298. This bulletin also sets forth the process Commerce will utilize to review rate filings submitted pursuant to section 65A.298 from the effective date of this bulletin forward.

## ***Filing Requirements***

Per Minn. Stat. § 65A.298, each insurer must provide a premium discount or insurance rate reduction for each FORTIFIED designation (e.g. Fortified Roof, Fortified Silver, Fortified Gold, etc.) that could be used by an insured on an insurable property in Minnesota as defined in section 65A.298 subd. 1(b).

In support of the premium discount or insurance rate reduction offered, each insurer must submit to Commerce actuarially justified rates and a rating plan (Minn. Stat. § 65A.298, subd. 4). A rate and rating plan submitted to Commerce under section 65A.298 may not be used until 60 days after the rate and rating plan was filed with Commerce, unless Commerce approves the rate and rating plan before that time (Minn. Stat. 65A.298, subd. 4).

## ***Commerce's Evaluation of Filed Rate and Rating Plans***

As part of Commerce's case-by-case evaluation of rates and rating plans submitted under Minn. Stat. § 65A.298 for actuarial justification, Commerce must evaluate:

- (i) evidence of cost savings directly attributable to the Fortified program standards as administered by IBHS; and
- (ii) whether the cost savings are passed along in full to qualified policyholders.

Insurers should submit the required filings via SERFF using existing processes. All filings submitted pursuant to Minn. Stat. § 65A.298 must include a revised rate manual displaying the premium discounts or insurance rate reductions.

After analyzing insurers’ responses to the voluntary data call, Commerce has calculated a threshold amount for actuarially justified premium discounts and insurance rate reductions in rates or rating plans submitted to Commerce pursuant to Minn. Stat. § 65A.298. The threshold amount of the premium discount or rate reduction percentage that applies to the wind/hail portion of the premium by mitigation level is outlined in the chart below:

**Threshold Chart**

<b>Mitigation Level</b>	<b>Premium Discount or Rate Reduction Percentage that Applies to the Wind/Hail Portion of the Premium Threshold</b>
Fortified Roof + Hail	35%
Fortified Silver + Hail	38%
Fortified Gold + Hail	40%

Although Commerce’s evaluation of filed rates and rating plans will be on a case-by-case basis, if an insurer submits a rate and rating plan with a premium discount or rate reduction equal to or greater than the threshold amount outlined in the chart above, Commerce may not need to request additional information from the insurer pursuant to Minn. Stat. § 65A.298, subd. 3(h) to evaluate the rates and rating plan for actuarial justification. A rate and rating plan filing must otherwise comply with all other applicable rate filing requirements as outlined in Minnesota state law and rules.

If an insurer submits rates and a rating plan with a premium discount or rate reduction below the threshold amount outlined in the chart above, Commerce may request actuarial justification for the company’s proposed premium discounts or rate reductions in the filed rates and rating plan per Minn. Stat. § 65A.298, subd. 3(h). The requested information may include, but may not be limited to:

- the catastrophe model (or models) used by the company in constructing its filing including the model version used by the company and the inputs into the model(s) including what model settings/parameters were used
- The distribution of perils used to calculate the discount
- How expense loadings and other elements were used to calculate the filed discount percentages

Insurers may file and offer additional construction component premium discounts or rate reductions that apply to a structure that does not meet the definition of an insurable property, or that apply in addition to the premium discount or rate reduction required by Minn. Stat. § 65A.298 for an insurable property.

Filings approved for use in compliance with Minn. Stat. § 65A.298 should not be subject to any “total maximum credits” rule filed by an insurer as part of the rates and rating plan. If a property meets the definition of an insurable property, the insured must provide the premium discount or insurance rate reduction filed by the insurer and approved by Commerce per Minn. Stat. § 65A.298.

This bulletin applies only to filings made on or after the effective date. Existing filings previously approved by Commerce are not affected by this bulletin.

*Effective Date: March 23, 2026*