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Department of Commerce

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AT A GLANCE

- **117,000:** Minnesota households served by the Energy Assistance Program in Federal FY 2026, totaling \$92 million in energy bills paid.
- **68,423:** Number of Minnesotans receiving Federal Lifeline assistance credits as of December 2025.
- **37,161:** Fuel meters tested at gas stations, bulk plants, airports, and terminals by Department of Commerce staff in the last biennium.
- **176:** State-chartered banks in Minnesota regulated by the Department of Commerce.
- **5,832:** Reports of suspected insurance fraud in FYs 2024-2025.
- **\$33 million:** Recovered for Minnesota consumers in FYs 2024-2025.
- **\$466 billion:** Amount of assets held by Minnesota domestic insurers regulated by the Insurance Division in 2025, a 6.8 percent increase from 2024.

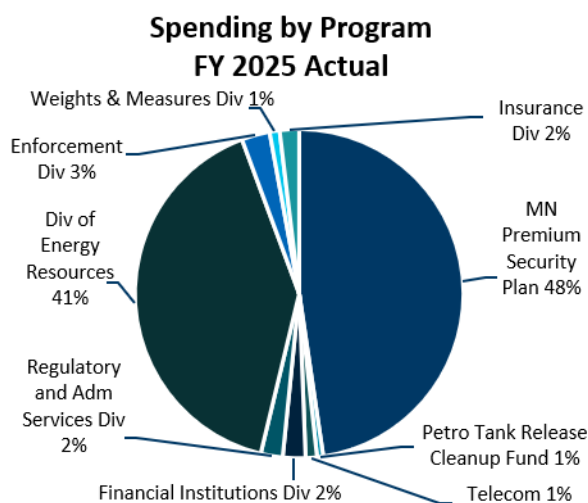
PURPOSE

The Department of Commerce (Commerce Department, Commerce, or Department) protects all Minnesotans in their everyday financial transactions by investigating and evaluating services and advocating that they be fair, accessible and affordable.

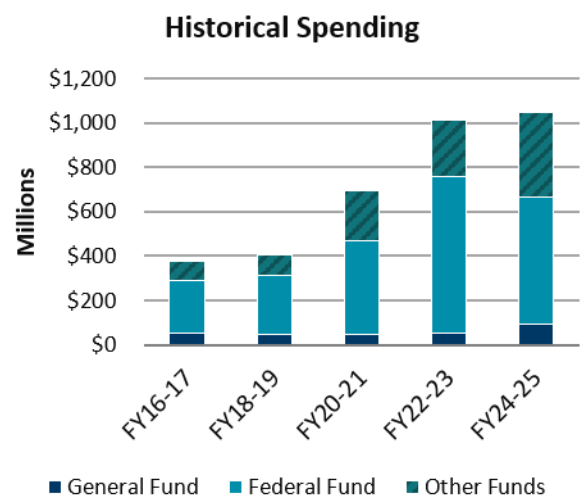
The Commerce Department is:

- Minnesota's insurance department.
- Minnesota's financial institutions department, overseeing all state-chartered banks and credit unions.
- Minnesota's energy department.

BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

The Commerce Department's budget is composed of general fund appropriations, federal funds, and special revenue funds. The largest component of the Commerce Department's budget is federal funding received as a pass-through for administering the Premium Security Plan, Low-Income Home Energy Assistance, and Weatherization Programs.

Insurance, Telecommunications, and Energy Resources Divisions assess and recover costs from regulated entities. Financial Institutions, Petrofund, and Weights & Measures Divisions are funded primarily from special revenue funds. General fund operating appropriations for Commerce have remained relatively consistent over the last decade though the department has received funds for one-time purposes. The Commerce Department is the home to the following consumer protection and regulatory programs:

- The Consumer Services Center, where Minnesotans can call for help to understand the products and services regulated by the Department;
- Licensing and continuing education;
- The Low-Income Heating Assistance and Weatherization Programs;
- The Petrofund, which helps Minnesotans clean up pollution on their property due to leaky underground fuel tanks;
- Enforcement;
- The state's securities regulator overseeing investment advisors and broker-dealers not regulated by the federal government;
- Telecommunications regulation;
- The state's unclaimed property program; and
- Weights and measures.

The Commerce Department provides the following statewide services:

- Ensures health, property and casualty, life, long-term care, and workers compensation insurance premiums in the state are fair and reasonable, and that contract terms comply with Minnesota law.
- Pursues civil and criminal enforcement activities to protect Minnesotans from fraudulent activities across all regulated markets and ensure strong and stable families and communities.
- Advocates on behalf of the public interest in energy-related matters to ensure a clean, healthy environment with sustainable uses of natural resources.
- Licenses and regulates individuals and entities to ensure a thriving economy that encourages business growth and employment opportunities.
- Responds to the needs of consumers, licensees and applicants to ensure delivery of efficient and accountable government services.

STRATEGIES

Commerce carries out its work on behalf of the state of Minnesota through its divisions:

- Financial Institutions works with banks, credit unions, and securities firms and professionals.
- Insurance reviews the rates and coverages proposed by health, life, property and casualty, and other insurers.
- Energy Resources advocates for fair and reasonable rates offered by regulated utilities and helps energy customers through energy assistance, clean energy programs, and weatherization.
- Enforcement investigates and takes action to enforce the regulations developed by the other divisions.
- Regulatory and Administrative Services licenses professionals in a range of fields; administers the unclaimed property program, the Petrofund program, weights and measures; and provides operational support for the divisions.

In these roles, Commerce touches a significant cross section of Minnesota's economy. The agency uses targeted regulatory and consumer protection strategies to maintain a strong and competitive marketplace for Minnesota consumers and businesses.

The primary legal authority for the Commerce Department is located in Minn. Stat. §45; the agency's authority, extends to numerous additional chapters including: 45A, 46, 47, 48, 48A, 49, 50, 51A, 52, 53, 53A, 53B, 53C, 54, 55, 56, 58, 58A, 58B, 59A, 59B, 59C, 60A, 60B, 60C, 60D, 60E, 60F, 60G, 60H, 60J, 60K, 60L, 61A, 61B, 62A, 62B, 62C, 62D, 62E, 62H, 62I, 62J, 62L, 62M, 62Q, 62R, 62S, 62U, 64B, 65A, 65B, 66A, 67A, 70A, 71A, 72A, 72B, 72C, 79, 79A, 80A, 80B, 80C, 81A, 82, 82A, 82B, 82C, 83, 115C, 116J, 123B, 169, 174, 176, 214, 216A, 216B, 216C, 216E, 216F, 222, 237, 239, 272, 299F, 301, 318, 325D, 325E, 325F, 325N, 332, 332A, 332B, 334, 345, 359, 386, 462A, 465, 471, 475, 507, 510, 514, 550 and 609B.

Program: Financial Institutions Division<https://mn.gov/commerce/money/>**AT A GLANCE**

- Regulates state-chartered banks, state-chartered credit unions, non-depository institutions and Minnesota-registered securities professionals.
- **176**: State-chartered banks in Minnesota.
- **137**: Number of Minnesota's state-chartered banks located in Greater Minnesota.
- **56**: State-chartered credit unions in Minnesota.
- **13,480**: Licensed non-depository entities and individuals in Minnesota.
- **229,574**: Registered investment adviser and broker-dealer firms and individuals in Minnesota.
- **1,521**: Registered franchises in Minnesota.

PURPOSE AND CONTEXT

Commerce's Financial Institutions Division is responsible for chartering, licensing, and regulating businesses that provide financial products and services to Minnesotans. These financial institutions include Minnesota-registered securities professionals, banks, trust companies, credit unions, money transmitters, mortgage companies, student loan servicers, certificate investment companies, and consumer credit entities such as motor vehicle finance, payday lenders, and debt management and settlement companies.

The division conducts periodic examinations, as well as ongoing monitoring, to ensure that financial institutions are safe, sound, and comply with applicable state and federal laws. The division's examinations focus on various financial factors, including loan portfolios, liquidity levels, and capital protection. While examinations have traditionally been conducted onsite, technology has allowed the division to conduct less industry intrusive offsite examinations. Much of the division is self-funded through paid licensing fees, hourly examination fees charged to examinees, and through annual industry assessments. These charges are deposited into the Financial Institutions Special Revenue Account to fund division operations. The Securities Unit, along with the Student Loan Servicer section, is funded through a general fund appropriation.

SERVICES PROVIDED

- Charter and conduct examinations of all state-chartered banks, trust companies, credit unions and the nation's only certificate investment company on a 12-to-24-month cycle.
- License and examine non-depository financial services, including the mortgage industry, the consumer credit industry, currency exchanges, payday lenders, money transmitters, and debt service providers.
- Register state securities and securities professionals, including investment advisers, investment adviser representatives, broker-dealers and agents, franchises, time shares, and other securities offerings, as well as conduct examinations of investment advisers.
- Collaborate with the Federal Deposit Insurance Corporation, the Federal Reserve Bank, the National Credit Union Administration, the Consumer Financial Protection Bureau, the Securities Exchange Commission, the Financial Industry Regulatory Authority, and the North American Securities Administrators Association to uniformly conduct joint examinations, share information, and/or align risk-priorities.
- Minimize the impact on Minnesotans in the event of a financial institution failure through timely and impactful intervention procedures.

- Maintain bank, mortgage, and credit union program accreditations with the Conference of State Bank Supervisors and the National Association of State Credit Union Supervisors.
- Engage with community and industry groups to promote financial literacy and protect seniors and vulnerable adults from fraud.

RESULTS

Part A: Performance Data

Type of Measure	Measure	Measure Data Source	Historic Trend	Most Recent Data
Quality	Examinations of state-chartered banks, trust companies, and credit unions completed within a 24-month period	<u>Internal</u> : Examination scheduling spreadsheets	100% (CY 2024)	100% (CY 2025)
Quality	Company registration and licensing applications and corporate amendment applications acted on within 60 days of acceptance	<u>Internal</u> : Accepted applications spreadsheet and Commonline <u>External</u> : The Nationwide Licensing System, the Central Registration Depository of the Financial Industry Regulatory Authority, and the Investment Advisor Registry Depository of the Securities and Exchange Commission	100% (CY 2024)	100% (CY 2025)
Results	Number of banks on the troubled bank monitoring list (1)	<u>Internal</u> : Problem Bank spreadsheet	5 (CY 2024)	4 (CY 2025)
Results	Number of licensed program types utilizing NMLS (2)	<u>External</u> : The Nationwide Licensing System	19 (CY 2024)	19 (CY 2025)
Quantity	Registered Investment Adviser Representatives and Firms	<u>External</u> : The Nationwide Licensing System, the Central Registration Depository and Investment Advisor Registry	15,428 (CY 2024)	16,022 (CY 2025)
Quantity	Depository assets under division oversight	<u>External</u> : The Federal Financial Institutions Examination Council's Central Registry Depository	\$95 billion (CY 2024)	\$93 billion (CY 2025)

Performance Measures Notes:

- (1) This performance measure tracks the Division's progress towards maintaining a healthy depository industry across the state by proactively effectuating risk management expectations and intervention procedures. This figure is down from a high of 111 in 2010.
- (2) This performance measure tracks the Division's progress towards achievement of moving all non-depository institutions to the same electronic licensing platform, the Nationwide Multistate Licensing System (NMLS).

Part B: Evidence of Effectiveness

The Financial Institutions Division is responsible for chartering, licensing, and regulating businesses that provide financial products and services to Minnesotans to ensure we have a stable and equitable marketplace. This program funds core staffing and operations which have not been evaluated using randomized control or quasi-experimental design methods.

Statutory Authority: The Division's authority is located in Chapters: 45A, 46, 47, 48, 48A, 49, 50, 51A, 52, 53, 53A, 53B, 53C, 54, 55, 56, 58, 58A, 58B, 59A, 80A, 80C, 332, 332A and 332B.

Program: Petroleum Tank Release Cleanup Fund (Petrofund)<https://www.mn.gov/commerce/industries/fuel/petrofund>**AT A GLANCE**

- **>\$700 Million:** Approximate amount of reimbursement paid out to eligible applicants since 1987.
- **>14,000:** Approximate number of leak sites that have received funding for corrective actions since 1987.
- **747:** Underground petroleum storage tanks removed from 501 properties since 2004.

PURPOSE AND CONTEXT

The Department's Petroleum Tank Release Cleanup Fund (Petrofund) was established in 1987. The Petrofund contributes to a cleaner environment and helps to prevent the pollution of Minnesota's soil and water by providing eligible applicants with reimbursement for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks.

SERVICES PROVIDED

- Assists applicants with the costs to investigate and clean up contaminated soil and water from leaking petroleum storage tanks in the most cost-effective manner possible.
- Contracts for the removal of abandoned underground petroleum storage tanks.
- Recovers costs from responsible persons for investigation and cleanup work performed by the Minnesota Pollution Control Agency (MPCA) when the responsible persons are unwilling or unable to complete statutorily required corrective actions.
- Provides funding to the MPCA for administration of the Petroleum Remediation, Tank Compliance and Assistance, and Emergency Response programs, mainly to pay for state-financed investigation and cleanup projects where no viable responsible person is available.
- Annually approves the use of funds by the Minnesota Department of Employment and Economic Development (DEED) for the administration of the Contamination Cleanup and Investigation Grant Program.
- Developing a new database with web-portal capability for applicants to better track their claims.

The Petrofund is primarily funded by the Petroleum Tank Release Cleanup Fee. The fee is charged on wholesale petroleum products and is paid at a rate of \$20 per 1,000 gallons (\$.02 per gallon) by the first licensed distributor receiving the product in the state. The fee is imposed for a four-month period whenever the Program's fund balance drops below \$4 million and authorization has been given by the five-member Petroleum Tank Release Compensation Board. Investment earnings on the Petrofund's cash balance generate additional revenue.

RESULTS

Part A: Performance Data

Type of Measure	Measure	Measure Data Source	Historical Trend	Most Recent Data
Quality	Review of reimbursement applications within 60- and 120-day statutory deadlines to assure timely payment of investigation and cleanup costs incurred by applicants.	Internal Data: Currently managed on internal spreadsheet. Will migrate to database once it is operational.	Initial applications reviewed within 56 days and supplemental applications reviewed within 116 days (FY 2025)	Initial applications reviewed within <30 days and supplemental applications reviewed within <50 days (FY 2026)
Quantity	Removal of abandoned underground petroleum storage tanks to identify and prevent old tanks from leaking and contaminating soil and groundwater.	Internal Data: Currently managed on internal spreadsheet. Will migrate to database once it is operational.	48 tanks removed at 31 sites (FY 2025)	24 tanks removed at 24 sites (FY 2026)
Quantity	Protect human health and the environment by reimbursing eligible applicants for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks across the state.	Internal Data: Currently managed on internal spreadsheet. Will migrate to database once it is operational.	\$4.6 million reimbursed to 272 applicants (FY 2025)	\$6.8 million reimbursed to 342 applicants (FY 2026)

Performance Measure Notes:

- When a Petrofund applicant incurs costs, they can either submit all costs in one application or request reimbursement in multiple applications. Initial applications must be reviewed within 60 days. All subsequent applications must be reviewed within 120 days.
- The application review data compares the application queue as of July 2025 (previous) and July 2026 (current). The application queue is mainly driven by the number of reimbursement applications received and staffing levels.
- The abandoned tank removal data compares the number of tanks removed in Fiscal Year 2025(previous) to the number removed in Fiscal Year 2026 (current). The number of tanks removed is contingent on the number of applications received and the staff resources available to manage the tank removal projects.

Part B: Evidence of Effectiveness

The Petrofund contributes to a cleaner environment and prevents the pollution of Minnesota's soil by providing eligible applicants with reimbursement for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks. However, this program has not yet been evaluated using randomized control or quasi-experimental design methods.

Statutory Authority: The Petrofund program's legal authority is found in Chapter 115C.

Program: Regulatory and Administrative Services Division<https://www.mn.gov/commerce/>**AT A GLANCE**

- 306,996: Number of active licenses issued by the division to individual Minnesotans and businesses.
- 54,359 Total unclaimed property claims paid in FYs 2025-2026.
- \$931 million: Total dollar value of property returned to unclaimed property claimants since FY 2013.
- \$21.17 million: Amount belonging to Minnesota seniors recovered, or prevented from loss, by senior fraud prevention office in calendar year 2025.
- 845: Case files opened by the senior fraud prevention office in calendar year 2025.
- 75: Senior fraud prevention outreach and training presentations held during calendar year 2025.
- 4,862: Attendees at senior fraud prevention outreach and training presentations held during calendar year 2025.
- 99.3: Percentage of invoices processed by the financial services team within 30 days.

PURPOSE AND CONTEXT

Commerce's Regulatory and Administrative Services Division includes two units: The Regulatory Services unit oversees the licensing and unclaimed property programs in the Department. The Administrative Services unit includes core agency functions like financial services, human resources, business solutions, and legal services, and external affairs functions including communications, government affairs, senior fraud prevention, public engagement and Tribal relations.

Administrative Services operates the agency's "front door" for consumers, licensees, and businesses. Administrative Services staff publicly represent the agency in a wide variety of settings and are responsible for a wide swath of Commerce's direct engagement with Minnesotans. This work directly advances Commerce's strategic mission and vision to engage Minnesotans directly on the agency's work and to assist and protect all Minnesota consumers.

The Regulatory and Administrative Services Division is funded through a general fund appropriation.

SERVICES PROVIDED**Regulatory Services****Licensing**

- Administers application and renewal programs for 30 individual and business license types for real estate, insurance, real estate appraisers, collection agencies and debt collectors, and bullion coin operators.
- Provides licensing oversight for over 306,996 individuals and companies that do business in Minnesota.
- Approves applications for pre-license and continuing education courses, maintains experience requirement standards and assists regulated entities in their ongoing efforts to better serve their clients.
- Answers consumer inquiries regarding commerce-administered professional licenses including 20,842 calls from July 1, 2025, to June 30, 2026.

Unclaimed Property

- Serves as a “lost and found” for financial assets belonging to current and former residents of Minnesota.
- Safeguards, maintains, and seeks to return to owners approximately \$1.2 billion in abandoned property held by the state.
- Takes in unclaimed property from companies (or “holders”) with a statutory obligation to report property to the state once the property owner has not been located after a specific period.
- Answers consumer inquiries regarding unclaimed property claims, including 18,824 calls from September 1, 2025, to June 30, 2026

Administrative Services

Consumer Services Center

- Provides services to consumers who have inquiries or complaints about insurance companies.
- Mediates disputes between consumers and insurance companies.
- Investigates complaints about improper insurance claims practices.
- Provides outreach and education to consumers and industry about common insurance problems or issues.
- Responded to over 20,000 consumer calls in calendar year 2025.
- Only 2% of 2025 callers were placed on hold; all other calls were immediately answered by a live subject matter expert. For those callers placed on hold, the average hold time was approximately 38 seconds.
- Opened over 16,000 investigations in 2025.
- Took administrative action in over 360 cases in 2025.

Senior Fraud Prevention

- Works with Minnesotans and Minnesota financial institutions to safeguard vulnerable adults from financial exploitation and scams.
- Conducts presentations and outreach events with organizations and communities that support older Minnesotans as well as financial institutions on financial scams and the protections in Minnesota law designed to safeguard the assets of vulnerable adults.

Communications

- Engages Minnesotans on the work of the agency through all media channels and in public settings.
- Maintains Commerce’s external website, traditional and social media outlets, and responds to media inquiries.

Government Affairs

- Leads policy development and advocacy for the agency at the state, federal, and local levels.
- Oversees constituent services responses for consumers who contact the agency via elected officials.
- Collaborates with individuals and organizations through community outreach and engagement to design mutually beneficial actions on issues identified by Minnesotans within the agency’s purview.

Tribal Relations

- Leads continual engagement and partnership with Tribal Nations on matters of mutual interest within the agency’s regulatory purview.
- Embodies Commerce’s Tribal Nations Consultation Policy and leads fulfillment of the agency’s commitments and responsibilities under the policy and state law.

Legal Services

- Provides legal advice and statutory analysis to leadership and staff; helps ensure the provision of consistent legal information to regulated industries, licensees, and members of the public; and coordinates with state and federal agencies on matters of mutual interest within Commerce's regulatory sphere.
- Conducts risk analysis, directs and assists with litigation and administrative hearings, and advises and assists in drafting legislative proposals and rulemaking.

Public Engagement

- Builds relationships with communities to enhance delivery of Commerce services and establish the agency as a trusted resource through a continued in-person and digital presence.

Financial Services

- Manages day-to-day office and financial operations.
- Provides information, management services, and technical support including data processing, budget implementation, payroll, and facilities management.

Human Resources

- Conducts policy administration, staffing, recruitment, workforce planning, labor relations, benefits administration, and other functions for the agency and its staff.
- Drives Department efforts to increase diversity and inclusion within the organization, including developing pipelines and community partnerships, increased employee engagement, improved onboarding processes, new recruiting efforts at statewide career fairs, and expanded advertisement of career opportunities in diverse mediums.

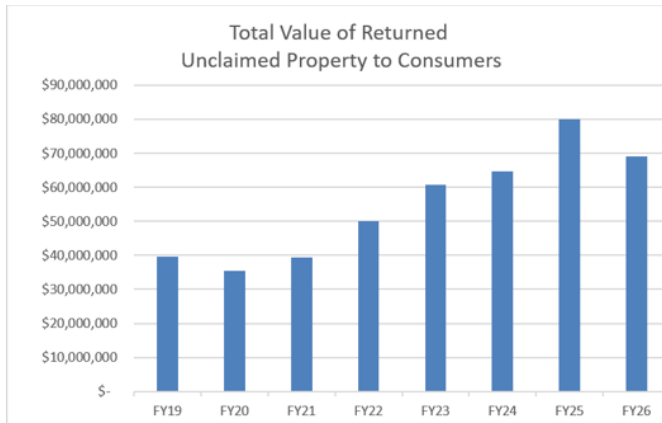
Business Solutions

- Monitors and supports agency IT portfolio, in coordination with MNIT.
- Creates short and long-term strategies to promote successful project outcomes, shift Commerce toward Agile and Product methodologies, modernize and secure IT infrastructure, and effectively use dollars spent toward IT and process improvement.

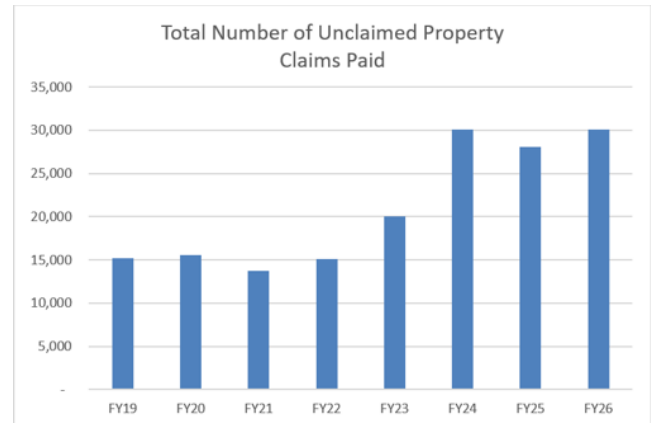
RESULTS

Part A: Performance Data

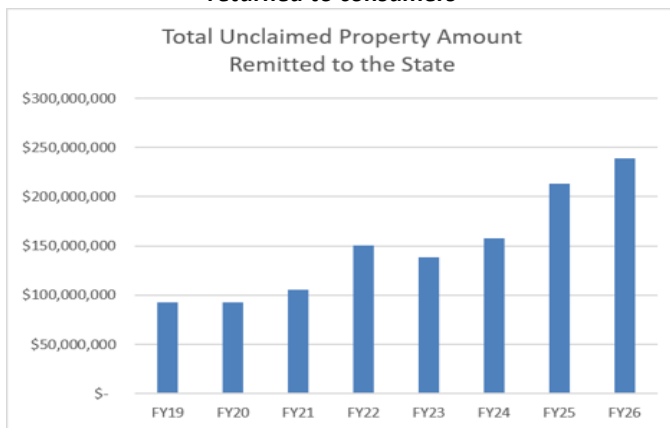
Measure Data Source: Internal Source; KAPST



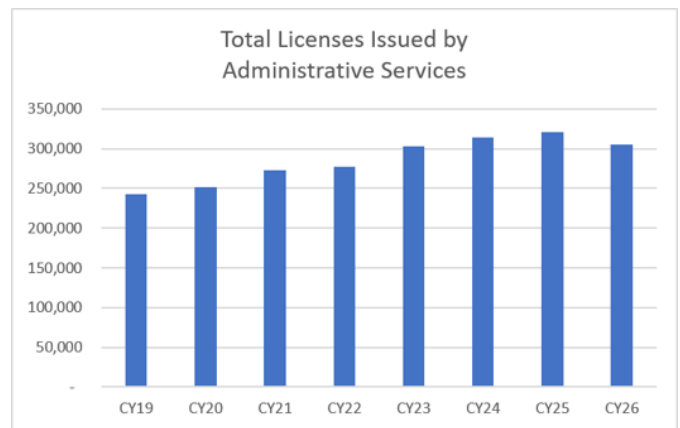
In FY 2026, \$69.2 million in unclaimed property was returned to consumers



In FY 2026, 30,091 unclaimed property claims were paid.



In FY 2026, \$238.8 million in unclaimed property was remitted to the State



In CY 2026, there were 305,531 active licenses issued by the Licensing Unit.

Part B: Evidence of Effectiveness

Commerce's Regulatory and Administrative Services Division funds core staffing and operations which cannot be evaluated using randomized control or quasi-experimental design methods.

Statutory Authority: While many of the categories of licensure administered by the Division have their own statutory citations, the Department's authority is located in Chapter 45 and 345.

Program: Enforcement Division<https://mn.gov/commerce/consumer/file-a-complaint/>**AT A GLANCE**

- **\$33 million:** Recovered for Minnesota consumers.
- **\$5.2 million:** Civil penalties assessed by the Enforcement Division.
- **36,425:** Calls fielded by the Consumer Services Center.
- **16,427:** Civil investigations opened.
- **362:** Administrative actions taken.
- **528:** Senior Safe Team files opened.
- **112:** Financial institution holds initiated.

(Numbers represent Enforcement Division data for calendar years 2024 and 2025)

PURPOSE AND CONTEXT

The Commerce Department regulates over 40 industries in Minnesota, covering a large portion of the economic activity in the state. The mission of Commerce's Enforcement Division is to protect the public interest, advocate for consumers, and to ensure a strong, competitive and fair marketplace by regulating industries under Commerce's jurisdiction through investigations, examinations, public outreach, and consumer education and assistance.

The Enforcement Division investigates complaints involving many of these industries, including insurance (companies, agents, and producers), pharmacy benefit managers, securities, real estate, mortgage, appraisals, collections, franchises, notaries, ticket sales, student loan servicers, athlete agents, bullion dealers, copper sellers, money transmitters, credit services, debt settlement, debt management, payday lenders, and regulated lenders. The Enforcement Division works to ensure that businesses in these regulated industries operate in compliance with Minnesota law.

The Division performs audits and examinations of regulated businesses, responds to complaints, and conducts investigations of suspected violations of Minnesota law. The Division also collaborates with other agencies; for example, the Multi-Industry Team collaborates with the Minnesota Department of Health (MDH) and the Minnesota Pollution Control Agency (MPCA) to monitor chemical hazards in children's products and take appropriate steps to enforce our laws to ensure our children are protected from toxic hazards; and the Insurance Team and Mental Health Parity Office collaborate with MDH, DHS, and others to monitor and enforce mental health parity laws.

The Division also performs additional services for consumers in Minnesota. It hosts a robust call center to answer questions and process complaints; a student loan advocate to help Minnesota borrowers navigate issues with student loans; a Senior Safe Team to protect seniors and vulnerable adults and collaborate with financial institutions to protect the funds for seniors and vulnerable adults; an HOA ombudsperson to assist residents and boards of HOAs in understanding their rights and responsibilities and navigating disputes; and a Mental Health Parity Office to create and execute effective strategies for implementing state and federal mental health parity laws.

The Enforcement Division is funded through general fund appropriations.

SERVICES PROVIDED

Civil Investigations

- Conduct civil investigations and audits to determine if laws under Commerce’s jurisdiction have been violated, while providing due process during the resolution of any alleged violations.
- Work with the Attorney General’s Office to pursue administrative action for violations of state laws and regulations under Commerce’s jurisdiction.
- Regulate business activity to ensure compliance, responsible business conduct, and a fair and consistent regulatory environment for businesses and consumers.
- Facilitate independent medical professional reviews of denied health insurance claims to determine whether treatment is medically necessary and whether requests for prior authorization were improperly denied.
- Advocate for and assist consumers, businesses, investors, and others through consumer complaint resolution.
- Conduct public education and outreach on areas under commerce’s jurisdiction and consumer protection issues.
- Ensure regulatory compliance and responsible business conduct to ensure a fair and competitive marketplace and consistent regulatory environment.

Market Conduct Exams

- The Market Conduct Team examines insurance companies to ensure equitable treatment of policyholders, fair competition in the marketplace, and compliance with applicable statutes and regulations. These exams often include review of an insurance company’s operations/management, complaint handling, marketing and sales, advertising materials, licensing, policyholder service, underwriting and rating, nonforfeitures, policy rate and form filings, claim handling and other state-specific requirements.
- The Market Conduct Team also works with industry to increase the transparency and efficiency of the insurance examination process.

Consumer Protection Specialty Offices

- The Student Loan Advocate (SLA) was established to assist and protect student loan borrowers by helping borrowers resolve complaints about student loan servicers related to student loans and repayment. The SLA also provides education and timely information about student loan issues. Consumers can contact the SLA via email, phone, or the online complaint portal on the Department of Commerce web page.
- Senior Financial Protection Ombudsperson leads the Senior Safe Team in administering the Safe Seniors Financial Protection Act. The Senior Safe Team partners with financial institutions and professionals to prevent fraud and exploitation of seniors and vulnerable adults in Minnesota through the use of temporary holds or transaction or disbursement delays on financial accounts; engages in extensive public outreach and education; and partners with other state agencies and interest groups in efforts to protect senior Minnesotans.
- In 2023, the Mental Health Parity and Substance Abuse Accountability Office was established in the Enforcement Division of the Department of Commerce to create and execute effective strategies for implementing state and federal mental health parity laws. This office also advises and reviews consumer and provider complaints regarding mental health parity violations; conducts and leads stakeholder engagement; and serves as a resource for ensuring health plan compliance with mental health and substance abuse requirements.
- In 2025, the Common Interest Community Ombudsperson was established in the Enforcement division to assist unit owners, unit owners' tenants, and associations in understanding the rights each possesses

under chapter 515B and applicable governing documents; and facilitate the resolution of disputes between unit owners and associations. The Ombudsperson provides plain language explanations of common interest community laws and regulations, identifies and provides resources and referrals, and may mediate between boards and residents under certain circumstances.

RESULTS

Part A: Performance Data

Type of Measure	Measure	Measure Data Source	Historical Trend	Most Recent Data
Quantity	Civil investigations initiated	Case database	11,016 (CY2022 – 23)	16,427 (CY2024 – 25)
Results	Civil administrative actions taken	Case database	456 (CY2022 – 23)	362 (CY2024 – 25)
Results	Civil penalties assessed	Case database	\$6.7 million (CY2022 – 23)	\$5.2 million (CY2024 – 25)
Quantity	Consumer calls received	Case database	57,731 (CY2022 – 23)	36,425 (CY2024 – 25)
Quantity	Senior safe files opened	Case database	220 (CY2022 – 23)	528 (CY2024 – 25)
Results	Financial holds initiated	Case database	N/A	112 (CY2024 – 25)
Quantity	Student borrower complaints resolved	Case database	17* (CY2022 – 23)	86 (CY2024 – 25)

**The law establishing the Student Loan Advocate position became effective on Aug. 1, 2023, and the position was filled on September 27, 2023.*

Part B: Evidence of Effectiveness

The Enforcement Division utilizes several best practices. Our Operations Manual and Marked Conduct Exam guides are adopted from the National Association of Insurance Commissioners' Market Regulation Handbook and Market Conduct Examiners Handbook. The NAIC handbooks provide uniform, standardized best practices for conducting insurance market investigations, market analysis, and market conduct exams. These NAIC handbooks are regularly vetted by industry stakeholders, consumer advocates, and insurance regulators to ensure their effectiveness. This program has not been evaluated using randomized control or quasi-experimental design methods.

Statutory Authority: The Enforcement Division has jurisdiction over the following chapters, or portions of chapters: 45, 45A, 46, 47, 53, 53A, 53B, 53C, 56, 58, 58A, 58B, 59A – 72C, 79, 79A, 80A, 80C, 80G, 81A, 82, 82A, 82B, 82C, 83, 216C, 237, 239, 325D, 325F, 332, 332A, 332B, 334, 345, 358, 359, 515B.

Program: Telecommunications<https://mn.gov/commerce/business/telecom/>**AT A GLANCE**

- **818,489:** Regulated wirelines in Minnesota serving business and residential customers as of June 2026.
- **209:** Commission dockets involving carrier filings, commission investigations, and policy matters during 2026.
- **68,423:** Number of Minnesotans receiving Federal Lifeline assistance credits as of December 2025.
- **3,786** Number of Minnesotans who received Minnesota Telephone Assistance Plan credits in June 2025.
- **\$165,454,106:** Federal Universal Service funding provided to high-cost telephone and telecommunications carriers in Minnesota during the year 2025.

PURPOSE AND CONTEXT

The Commerce Telecommunications Unit serves the public as the state regulator of the telecommunications industry. The Unit provides the Public Utilities Commission (PUC) and the Minnesota Legislature with information and policy alternatives that are responsive to rapidly changing market conditions, including the transition to Voice over Internet Protocol (VoIP) technology.

The Unit reviews filings made with the PUC by telecommunications companies for compliance with state statutes, PUC rules and orders, and federal regulations. It investigates complaints from the public, local government, and telecommunications companies about illegal, unfair, or anti-competitive practices and takes action to enforce state and federal statutes and regulations. The Unit ensures that consumers are protected when receiving telephone services subject to state oversight.

Most of the Unit's functions are funded by an assessment on regulated telecommunications companies.

SERVICES PROVIDED

- Advocacy on behalf of the public interest for statewide telecommunications policies that promote high quality, affordable telecommunications networks in Minnesota.
- Enforcement of Minnesota and federal laws and rules of the PUC and the Federal Communications Commission.
- Investigation of company filings and telecommunications matters for compliance with Minnesota requirements.
- Administrative review of licensing requests, service quality, pricing of services, and competitive practices of telecommunications companies.
- Resolution of telecommunications complaints relating to service in rural and urban areas, service outages, excessive fees, and critical 911 service.

RESULTS

Part A: Performance Data

The Unit measures success by the extent to which all Minnesota citizens have access to high-quality, affordable telecommunications services, regardless of technology. The impact of the unit's activities is reflected in the availability of competitive alternatives and continued quality service to those areas in Minnesota with a single provider, including reliable and vital 911 services.

Type of Measure	Measure	Measure Data Source	Historical Trend	Most Recent Data
Quantity	Telecommunications penetration - Regulated wirelines - Wireless lines	MN Department of Commerce Comments issued in Dockets 25-13 and 26-13 for fiscal years 2024 and 2025. MN PUC Staff TAP 6 Month Review in Dockets 24-253 and 25-355 for calendar years 2024 and 2025	Regulated wirelines: 944,064 (FY 2024) Wireless lines: 5,415,707 (CY 2024)	Regulated wirelines: 818,489 (FY 2025) Wireless lines: 5,658,295 (CY 2025)

Part B: Evidence of Effectiveness

This program funds core staffing and operations which cannot be evaluated using randomized control or quasi-experimental design methods.

Statutory Authority: The Department's authority to regulate telecommunications providers is in Chapter 216A.

Program: Division of Energy Resources (DER)

<https://mn.gov/commerce/energy/>

AT A GLANCE

- **117,000:** Minnesota households served by the Energy Assistance Program in Federal Fiscal Year 2026, totaling \$92 million in energy bills paid.
- **\$880 million:** Amount utility ratepayers saved due to Commerce's advocacy at the Public Utilities Commission in the last biennium.
- **More than 415,000:** Minnesotans who received energy specific technical assistance and information through phone, email, web visits, webinars, publication distribution, and other Energy Information Community (EIC) engagement events in 2025. Additionally, the EIC reached over 200,000 Minnesotans through the MN State Fair and Traveling Eco exhibits.
- **120:** Electric and natural gas utility Energy Conservation and Optimization (ECO) portfolios reviewed and approved in years 2022 and 2023, saving around 14.5 trillion-Btus of energy – enough energy to heat, cool, and power more than 147,000 Minnesota homes for a year.
- **2,548:** Megawatts (MW) of solar installed in Minnesota as of December 2025, which generated 5% of electricity in Minnesota. Total U.S. solar generation is expected to reach 10% in 2027.
- **4,972:** Megawatts of wind capacity in Minnesota as of December 2025, which generated 25% of electricity in Minnesota, making wind the largest type of electric generation in the state and over twice the national average of 11%.

PURPOSE AND CONTEXT

Commerce's Division of Energy Resources (DER) represents the public interest and ensures a clean, healthy environment with sustainable use of natural resources. The Division of Energy Resources:

- Ensures Minnesota's energy system supports a strong economy, job creation, and healthy environment.
- Improves existing energy infrastructure while protecting ratepayers.
- Advances Minnesota's leadership in energy efficiency.
- Expands Minnesota's renewable energy potential and energy business activity.
- Assists low-income Minnesotans through financial assistance and energy conservation measures.
- Ensures sufficient, reliable energy at reasonable costs.

The Division of Energy Resources is funded through federal grants and general fund appropriations, part of which are recovered through assessments on utilities.

DER is divided into three Offices: Energy Affordability, Energy Development, and Regulatory Analysis.

Office of Energy Affordability

- Administers as much as \$125 million in annual funding from the federal Low-Income Home Energy Assistance Program (LIHEAP). In Federal FY 2026, LIHEAP served 117,000 households across the state.
- Administers \$26 million in annual funding and an additional \$116 million in one-time funding supporting low-income weatherization and special projects from the federal Department of Energy, Low-Income Home Energy Assistance Program, and the State of Minnesota. In FY 2026, the office served approximately 1,216 households with weatherization support across the state.

- Developing Minnesota's Federal Home Energy Rebate programs in conjunction with state heat pump and electric panel rebate programs.

Energy Development Office

- Manages or provides oversight to federal, state, and special revenue dollars of nearly 500 active energy contracting activities in FY 2026.
- Administers the federally funded State Energy Program.
- Serves as an information resource to Minnesota consumers and businesses on clean energy programs and actions they can take to reduce energy use reaching over 600,000 Minnesotans annually.
- Supports energy planning and studies through direct technical assistance and engagement. There were 35 direct technical assistance activities this past federal program year.
- Administers numerous solar programs including:
 - Minnesota's Solar for Schools (SFS). The SFS program has awarded 187 grants to solar school projects across the state since 2022, adding 22 MW of solar to the electric grid. In total, SFS is on track to contribute funding to over 270 projects, representing a cumulative solar capacity in excess of 35 MW.
 - Made in Minnesota solar incentive program. The Energy Development Office also oversees Xcel Energy's Solar*Rewards program.
- Melissa Hortman Low and Moderate Income (LMI) Community Solar Gardens Program. Launched in January 2024, this program has approved 138 projects for a total of 196 MW as of August 2026. 78% of the capacity of these gardens is reserved for LMI households and other target subscribers. To date, 39 projects with a combined capacity of 36 megawatts are operational, with many more slated to come online over the next year.
 - Solar on Public Buildings. This program has provided funding to 90 local governments for 220 solar projects across the state since launching in spring 2024. The fifth and final application round closed in June 2026.
- Administers the State Competitiveness Fund (SCF) Match Program and the Local Grant Development Assistance Program. As of the close of 2025, Commerce issued notifications for five RFP rounds of the State Competitiveness Matching Funds Program. Matching fund reservations for both pending and confirmed federal projects totaled more than \$57 million. The total amount of federal award funds requested for these projects reached more than \$271 million. Additionally, the 25 entities who were awarded funding through the Local Grant Development Assistance program have deployed more than 50% of their state grant award funding toward increasing capacity building. Numerous energy projects and sustainability plans have been implemented at the local level while the SCF program has spurred more than \$763 million for energy projects across the state.
- Launched numerous new programs resulting from 2023 legislation, including an Electric Vehicle (EV) rebate program that has issued payments to over 4,700 applicants to date.
- Completed the Energy Policy and Conservation Quadrennial Report 2024.
- Develops and maintains the State Energy Security Plan through its collaboration with state agencies, regional and federal bodies, and partnerships with critical infrastructure and key resource providers.
- Executes the Department's responsibilities outlined in Executive Order 23-13 to prepare for and respond to energy-related emergencies.
- Manages a \$464 million award from the US Department of Energy (US DOE) to implement the Joint Targeted Interconnection Queue (JTIQ) Project, a portfolio of transmission projects in the Upper Midwest.

Office of Regulatory Analysis:

- Advocates for the public interest in proceedings before the Public Utilities Commission (PUC), including rate cases, integrated resource plans, integrated distribution plans, transportation electrification plans,

Natural Gas Innovation Act plans, and certificates of need. Advocates on behalf of Minnesota ratepayers in regional and federal matters.

- Ensures an affordable and reliable electric and natural gas system as that system undergoes decarbonization.
- Represents the interests of Minnesota residents, businesses, and governments before bodies outside of the state that make, interpret, and implement energy policy and that regulate or implement energy infrastructure development. Participates in the proceedings of regional grid operators, the Federal Energy Regulatory Commission (FERC), and US DOE.
- Oversees the State’s Energy Conservation and Optimization (ECO) program (formerly the Conservation Improvement Program), a utility-administered energy efficiency program. ECO programs promote energy-efficient technologies and practices by providing rebates, marketing, and technical assistance to utility customers. In years 2022 and 2023, ECO programs saved around 14.5 trillion-Btus of energy – enough energy to heat, cool and power more than 147,000 Minnesota homes for a year; reduced CO2 emissions by 1.36 million tons, equivalent to removing over 289,388 gasoline-powered passenger vehicles from the road for one year; and saved Minnesota’s businesses and residents over \$321 million in energy costs.

RESULTS

Part A: Performance Data

Type of Measure	Measure	Measure Data Source	Historical Trend	Most Recent Data
Results	Energy savings goals in ECO* (Natural Gas/Electric percentages)	Utility-reported data (i.e. utility filings on eDockets)	Electric utility savings: 1.7% (CY 2019) Natural gas utility savings: 1.1% (CY 2019)	Electric utility savings: 2.04% (CY 2023) Natural gas utility savings: 1.28% (CY 2023)
Results	Renewable Energy Standard (RES) of 25% of electricity sales comes from renewable sources by 2025**	See eDockets 21-12 for utility and Department-filed information on RES. For more details on 25% by 2025, see https://www.lrl.mn.gov/docs/2023/mandated/230009.pdf	All electric utilities: 24.5% (CY 2021)	All electric utilities: 25% via RECs retirements. Xcel Energy 25% RECs retirements and 39.4% certified renewable percentages (CY2025)
Quantity	Number of households served by low-income heating (LIHEAP) and weatherization (WAP) programs	LIHEAP Household Report and Weatherization Assistant Software	LIHEAP: 126,000 (CY 2025) WAP: 1,801 (FY 2020)	LIHEAP: 117,000 (CY 2026) WAP: 2,294 (FY 2022)
Results	Amount of solar installed in Minnesota toward utilities’ 1.5% Solar Energy Standard by 2020.	MN PUC’s Utility Reported DER https://mn.gov/puc/activities/economic-analysis/distributed-energy/der-data-dashboard/ EIA-860 Generator File https://www.eia.gov/electricity/data/eia860/	1692 MW capacity (est.), ~ 3% of electricity (CY 2023)	2548 MW capacity, ~ 5% of electricity (CY 2025)

Part B: Evidence of Effectiveness

The Division of Energy Resources implements programs that are mandated by the federal government, both the US Department of Health and Human Services and the US Department of Energy, and the Minnesota Legislature. As such, the Division abides by the contractual requirements and statutory requirements as laid out by these authorizers. Within these parameters, the Division draws upon best practices and conducts monitoring and review of implementation but does not conduct qualifying evaluations as defined nor does it conduct impact evaluations on its own.

* (Energy savings goal is outlined in Minn. Stat. § 216B.241, subd. 1c.)
(<https://www.revisor.mn.gov/statutes/cite/216B.241#stat.216B.241.1c>)

** (Minn. Stat. § 216B.1691 (<https://www.revisor.mn.gov/statutes/cite/216B.1691>) requires Xcel to meet a 30% goal by 2020; the 25% x 2025 goal is for all other utilities)

Statutory Authority: The Department's authority is located in Chapters: 16B, 16C, 116J, 216A, 216B, 216C, 216E, 216G, 272.

Program: Weights & Measures

<https://mn.gov/commerce/business/weights-measures/>

AT A GLANCE

- **37,161:** Fuel meters tested at gas stations, bulk plants, airports, and terminals.
- **8,094:** Fuel tank inspections completed.
- **1,893:** Gas stations checked for advertising, signs, and labeling.
- **11,967:** Credit card readers inspected for skimmers.
- **1,557:** Fuel samples tested in fuel lab.
- **13,353:** Objects calibrated in metrology laboratory.
- **6,808:** Grocery, food, and hardware scales tested.
- **127:** Permits issued to registered service technicians.
- **2,614:** Shipping, precious metal, and other commercial industrial scales tested.
- **3,590:** Vehicle, track, hopper, and other heavy capacity scales tested.

(Numbers represent the average number of items tested in FY 2025 and FY 2026)

PURPOSE AND CONTEXT

Commerce's Weights & Measures Division protects Minnesota consumers and businesses and the state's commercial markets by promoting and ensuring equity between buyers and sellers, accuracy of commercial measurements, and enforcing quality standards for fuels by:

- Providing Minnesota businesses and individuals with precision measurement services.
- Supporting key Minnesota industries by testing mining, logging, and agricultural scales, certifying test chains used to calibrate taconite scales, and enforcing biodiesel and biofuel content mandates.
- Promoting fairness in consumer purchases by ensuring weighing and measuring devices are accurate, properly installed, suitable for the intended purpose, properly maintained, and do not allow for fraud.
- Protecting the health and safety of Minnesota citizens and the environment by ensuring safety equipment is working at fuel stations, examining petroleum equipment for leaks, and enforcing minimum biofuel content requirements.

Weights & Measures receives \$0.89 of the \$1.00 Petroleum Inspection Fee, which is collected from the first licensed distributor on every 1,000 gallons of petroleum products received and sold in Minnesota, as well as a general fund appropriation to fund its operations.

SERVICES PROVIDED

To promote an equitable marketplace, free from fraud, and to contribute to a healthy and safe environment for all citizens, Weights and Measures provides the following services:

- The metrology laboratory maintains National Institute of Standards and Technology (NIST) recognition and National Voluntary Laboratory Accreditation Program (NVLAP) accreditation, ensures accuracy in basic physical measurement by maintaining the state standards for mass, length, volume, temperature, and density, and by offering precision calibration services to businesses and individuals.
- Field investigators enforce Minnesota statutes and rule to prevent fraud and ensure the accuracy of:
 - Metering devices like fuel pumps; meters used at terminals, refineries and airports; and Electric Vehicle Supply Equipment (EVSE);

- Retail scales used in grocery stores, retail food locations, shipping, cannabis retail locations, and precious metals buying;
- Large capacity scales used to weigh grain, fertilizer, aggregates, taconite, railroad cars, livestock, and many other commodities; and
- Product labeling and declared net weight of prepackaged commodities at retail food locations.
- Petroleum lab and field investigators partner to ensure fuel quality, protect the environment, and enforce statutory biofuel requirements through records audits, routine sampling, complaint investigation, and fuel testing to ASTM quality, volatility, and sulfur standards.
- Testing and monitoring the competency, performance, and accuracy of the standards of registered service technicians and private liquefied petroleum gas inspectors who install and repair commercial weighing and measuring devices in Minnesota.
- Engage in regional, national, and international standard-setting organizations like the Central Weights and Measures Association (CWMA), the National Council on Weights & Measures (NCWM), ASTM International, and the National Conference of Standards Laboratories International (NCSLI) to ensure Minnesota regulation and enforcement standards stay current on the latest developments in fuel standards, metrological technologies, and to promote uniformity.

RESULTS

Part A: Performance Data

Type of Measure	Measure	Measure Data Source	Historical Trend	Most Recent Data
Quantity	Number of samples, devices, audits, and package lots checked annually	Internal data collection, compiled from actual inspection test results and fuel sample analysis.	77,576 (FY 2023-24 avg/yr)	74,282 (FY 2025-26 avg/yr)
Results	Percent of samples, devices, audits, and packages approved without need for corrections by Weights and Measures for sale in Minnesota	Internal data collection, compiled from actual inspection test results and fuel sample analysis.	75.8% (FY 2023-24 avg/yr)	76.5% (FY 2025-26 avg/yr)
Results	Percent of samples, devices, audits, and packages removed from marketplace	Internal data collection, compiled from actual inspection test results and fuel sample analysis.	9.6% (FY 2023-24 avg/yr)	9.3% (FY 2025-26 avg/yr)
Results	Percent of samples, devices, audits, and packages corrected because of Weights & Measures inspections	Internal data collection, compiled from actual inspection test results and fuel sample analysis.	14.6% (FY 2023-24 avg/yr)	13.5% (FY 2025-26 avg/yr)

Part B: Evidence of Effectiveness

This program funds core staffing and operations which cannot be evaluated using randomized control or quasi-experimental design methods.

Statutory Authority: The Department's authority is in Chapter 239.

Program: Insurance Division<https://mn.gov/commerce/industries/insurance/>**AT A GLANCE**

- **\$466 billion:** Amount of assets held by Minnesota domestic insurers regulated by the Insurance Division in 2025, a 6.8 percent increase from 2024.
- **130:** Domestic insurance companies in Minnesota.
- **3,882:** Policy rate and form filings reviewed in 2025 in the life insurance, annuity, health insurance, property & casualty insurance, and workers compensation lines of business.
 - 1,729 property & casualty filings
 - 823 workers' comp filings
 - 1,330 life and health filings
- **13:** Domestic insurance companies examined as of year-end 2025.
- **22:** Certificates granted, authorizing increased competition and providing additional capacity in the insurance marketplace.
- The Division received approval for its accreditation by the National Association of Insurance Commissioners in August 2022. Minnesota is due for re-accreditation in 2028. Accreditation allows other states to rely on the Department's review and examination of domestic insurers, reducing cost and administrative burden for Minnesota insurers.

PURPOSE AND CONTEXT

Commerce's Insurance Division ensures that insurance companies licensed to do business in Minnesota are financially sound, offer insurance products that provide value to Minnesotans, comply with state and federal law, have actuarially sound rates that are reasonable and not excessive, inadequate, or unfair, and respond to the insurance needs of the residents and businesses of Minnesota.

Minnesota has a relatively large insurance industry compared with other states, with 130 insurance companies under Commerce's financial supervision and 1,506 foreign (out-of-state) companies doing business in the state.

The Insurance Division's work consists of actuarial review, financial analysis, financial examinations, licensing, and insurance product form and rate filing. This work is completed for all insurance types including health, automobile, homeowner, farm, flood, crop, life, long-term care, workers' compensation, and more.

This work of the Insurance Division is funded through general fund appropriations and special revenue fund accounts dedicated to insurance examinations. Revenues generated from the Division's work consist of examination fees, desk audit fees, registration and filing fees, and transaction fees.

SERVICES PROVIDED

- The Insurance Division evaluates insurance policy contracts and rates sold to consumers to ensure fairness in rates and compliance with Minnesota statutes.
- The Insurance Division issues licenses to insurance companies, pharmacy benefit managers (PBMs), and third-party administrators (TPAs), among other entities, to do business in Minnesota.
- The Insurance Division examines and regulates insurance companies, including two with over \$100 billion in assets, to ensure they are safe and financially solvent now and in the future.

The work of the Insurance Division is divided into the following categories:

- **Actuarial** – verifies the adequacy of insurance company reserves and capital over a range of economic scenarios, and reviews pricing models to ensure rates are adequate, not excessive, fair, non-discriminatory, and equitable.
- **Financial Analysis** – evaluates information and develops a financial profile of domestic (company financials regulated by Minnesota) and foreign (company financials regulated by other states) insurance companies doing business in Minnesota, based on statutorily required financial and regulatory reports.
- **Examinations** – conducts on-site examinations of each Minnesota-domiciled insurer at least once every five years. Examiners review insurance company books and records at the company headquarters, conduct a risk-focused examination per national requirements, make recommendations for insurer improvement, and prepare examination reports.
- **Licensing** – approves insurance company applications for insurers who want to do business in the state and/or want to write additional lines of business and approves or denies those applications based on standards of compliance and financial strength.
- **Insurance Product Form and Rate Filings** – reviews insurance form and rate submissions for compliance with Minnesota statutes to ensure Minnesotans are protected from false and deceptive products, as well as review the financial condition of companies that self-insure.

RESULTS

Part A: Performance Data

Type of Measure	Measure	Measure Data Source	FY2024	FY2025	FY2026
Quantity	Policy form and rate review	National Association of Insurance Commissioners (NAIC) System for Electronic Rate and Form Filing (SERFF)	4,403 filings reviewed	4,203 filings reviewed	3,866 filings reviewed
Quality	Turnaround time from filing to disposition, – Property & Casualty (P&C), including Workers' Compensation forms and rates – target: 40 days	National Association of Insurance Commissioners (NAIC) System for Electronic Rate and Form Filing (SERFF)	P&C: 41.59 days Workers' Compensation : 11.7 days	P&C: 28.62 days Workers' Compensation: 12.11 days	P&C: 23.97 days Workers' Compensation: 14.61 days
Quality	Turnaround time from filing to disposition, Life, Annuity & Health forms and rates – target: 40 days	National Association of Insurance Commissioners (NAIC) System for Electronic Rate and Form Filing (SERFF)	43.81 days	39.38 days	38.83 days
Quantity	Financial examinations of insurers completed within the required time frame	Accreditation tracking via exam log	12	13	9
Quantity	Financial analysis of insurers completed within the required time frame	Accreditation tracking via internal tracking	69	70	67
Quantity	Number of company transactions reviewed by financial analysis staff	Tracking log	167	152	175
Results	Percentage of financial examinations and financial analysis of insurers completed within the required time frame	Calculation based on internal tracking	100%	100%	100%

Performance Measure Notes:

- Review of forms in a timely manner allows new, innovative products to be offered to Minnesotans commensurate with rollout in other states.
- Financial examinations are on a regular schedule and are completed on individual insurance companies. Examinations are completed every five years for health maintenance organizations on behalf of the Department of Health and every five years for indemnity insurers. The National Association of Insurance Commissioners requires examinations to be completed within 18 months of the as-of date, with extensions granted in special circumstances. Financial analysis is performed on a quarterly basis for 69 insurance entities.

Part B: Evidence of Effectiveness

Commerce's Insurance Division relies upon nationally adopted standards from the National Association of Insurance Commissioners (NAIC) and actuarially sound analytic tools to oversee Minnesota's insurance markets. These practices are regularly vetted by industry stakeholders, consumer advocates, and insurance regulators to ensure their effectiveness.

Statutory Authority: The Department's authority is located in Minnesota Statutes Chapters: 59A, 59B, 59C, 60A, 60B, 60C, 60D, 60E, 60F, 60G, 60H, 60J, 60K, 60L, 61A, 61B, 62A, 62B, 62C, 62D, 62E, 62H, 62I, 62J, 62L, 62M, 62Q, 62R, 62S, 62U, 64B, 65A, 65B, 66A, 67A, 67A, 70A, 71A, 72A, 72B, 72C, 79 and 79A.

Program: Minnesota Premium Security Plan<https://www.mn.gov/commerce/>**AT A GLANCE**

- **\$167.0 Million:** Amount of federal funding made available to the state for plan year 2026.
- **\$1,13 Billion:** Total amount of federal program funding since program inception.
- **20 Percent:** Annual average reduction in health insurance rates from what they otherwise would be absent the existence of the Minnesota Premium Security Plan program. For plan year 2026, reinsurance was particularly impactful due to the expiration of federal enhanced advanced premium tax credits.
- **December 31, 2026:** Funds from the Premium Security Plan Account are appropriated through this date. State funding for plan year 2027 will be collected through an assessment on group health carriers.

PURPOSE AND CONTEXT

Administered by the Minnesota Comprehensive Health Association (MCHA), the Minnesota Premium Security Program (MPSP) was created by the legislature in 2017 and extended through 2027 to provide reinsurance payments to health insurers to help offset the costs of high claims in the state's individual health insurance market. Funding for the program is provided through plan year 2026. State funding for plan year 2027 will be collected through an assessment on group health carriers. A group health carrier can claim a tax credit against the full amount of its assessment paid, beginning in the 2029 tax year.

In plan year 2025, approximately 204,000 Minnesotans purchased their own health insurance in the individual market. The individual market saw notable growth in plan years 2024 and 2025 due to individuals losing Medicaid coverage during the post-COVID Medicaid eligibility redetermination process. Further market uncertainty was introduced when enhanced advanced premium tax credits were not renewed at the end of plan year 2025, which contributed to larger carrier rate increases for plan year 2026 to reflect higher anticipated market morbidity. The purpose of the MPSP is to lower premium costs for consumers from where they otherwise would be absent the program and promote affordable health insurance for Minnesotans in the individual market.

Expenditures out of the MPSP are for grants to MCHA for program operations and reinsurance payments to health insurers. Each year, any federal funds received by the State for the program must be expended prior to state funds. Any state funds not used by the program by June 30, 2029, will be cancelled and returned to the Health Care Access Fund.

SERVICES PROVIDED

The Commerce Department serves as the fiscal agent for appropriations directed to the MPSP.

In October 2017, the Commerce Department obtained approval of a Federal 1332 Waiver that authorized the program's operation under the Affordable Care Act (ACA). In July 2022, Commerce received approval of an extension of the Waiver through December 31, 2027. Commerce is the state's reporting agent to the federal government on the federal funds provided to the program. MMB maintains an account statement <https://mn.gov/mmb/budget/current-budget/current/> for the Premium Security Plan Account as part of the current operating budget materials.

Commerce provides state oversight of the program and is responsible for approving the MPSP program parameters on an annual basis.

RESULTS

Part A: Performance Data

The MPSP has had a stabilizing effect on Minnesota's individual health insurance market rates, which are what people pay for their health insurance premiums. This effect can be measured by examining health insurer's year-over-year rate changes, data which is collected and analyzed as part of the health insurers' annual rate filings, since inception of the program.

Average Rate Change Over Prior Year

Insurer	Final 2018	Final 2019	Final 2020	Final 2021	Final 2022	Final 2023	Final 2024	Final 2025	Final 2026
Blue Plus	2.8%	-27.7%	-1.5%	4.2%	7.4%	-2.3%	3.0%	11.6%	18.7%
HealthPartners, Inc/Group Health, Inc	-7.5%	-7.4%	-1.3%	0.7%	9.5%	2.1%	5.5%	9.7%	13.3%
HealthPartners Insurance Company	NA	NA	NA	NA	NA	NA	NA	NA	19.2%
Medica Ins Co	-0.4%	-12.4%	-1.0%	2.4%	9.0%	6.0%	1.9%	2.0%	30.1%
PreferredOne Ins Co*	-38.0%	-11.0%	-20.0%	1.1%	7.1%	18.0%	NA	NA	NA
Quartz Health Plan MN	NA	NA	NA	New	4.3%	22.2%	3.2%	9.4%	7.4%
UCare**	-13.3%	-10.0%	0.2%	1.6%	11.3%	0.8%	5.5%	8.8%	27.5%

*PreferredOne exited the Individual market after 2023.

**UCare will not offer Individual market plans in plan year 2027.

Part B: Evidence of Effectiveness

The MPSP has not yet been evaluated using randomized control or quasi-experimental design methods.

Statutory Authority: The authority for this program is found in Minnesota Statutes 62E.23. It was originally authorized under Minnesota Session Law 2017, Chapter 13 and Special Session 1, Chapter 6, Article 5, Section 10 and extended under Minnesota Session Law 2019, Special Session 1, Chapter 9, Article 8, Section 19, Minnesota Session Law 2021, Special Session 1, Chapter 7, article 15, section 1, and Minnesota Session Law 2022, Regular Session, Chapter 44, Section 15.