

## NEWS RELEASE

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A bill is moving in the Minnesota Legislature that if passed will result in large increases in your Homeowner's Insurance premiums.

The bills are House File 1251 Chief Author Rep. Joe Atkins (D-Inver Grove Heights) and Senate File 1152 Senator Tarryl Clark (D-St. Cloud).

The issue is confusing to most people because of what are called "direct action laws", this law would for the first time allow lawsuits against another person's liability insurance company. Only two states, Louisiana and Wisconsin, currently have such "direct-action" statutes.

The Minnesota Trial Lawyers who are pushing this bill are further confusing the public by claiming forty-six states have some form of "bad faith" or as they are now calling such laws "good faith" laws. Further, the fact is that Minnesota already has laws that require first-party insurers to act in "good faith" when dealing with an insured's claim. That current law is called "The Minnesota Fair Claims Practices Act." The trial lawyers now want to expand that law so juries can award damages not covered by the policy and the trial lawyers could also collect their attorney's fees.

**If this bill passes, Minnesota would have the most wide open law in the nation for claimants to sue not only their insurance company but other people's insurance companies. In fact, as hard as this is to believe, insurance companies could also be sued for damages that are not covered in the policy, plus their trial lawyer's attorney's fees. This is a bill driven by trial lawyers.**

Can you imagine your Homeowners Insurance Company paying huge awards for items that they didn't cover in their policy?

Guess what, someone will have to pay these awards and that "someone" will be the policyholder in the form of increased premium costs. We are not talking a small percent, premium rates could be increased dramatically due to this legislation passing. If this legislation passes, the only winners are the trial lawyers.

