

2016 WINDOW CLOSES ON AASP-MN PROPOSAL AND OTHER MAJOR LEGISLATION

House and Senate Committee deadlines came and went, and no insurance legislation made its way to the House or Senate Floor which could serve as a vehicle for our 2016 AASP-MN insurance claims practices amendments.

The association's legislative proposal, carried over from 2015, sought to prohibit insurers from requiring that insureds take their car to a "particular motor vehicle repair shop or shops designated by the insurer" for loss adjustment or inspection. The bill also proposed to prohibit insurers from specifying or requiring that a repair shop "utilize specific products, vendors, distributors, manufacturers or suppliers in order to carry out vehicle repairs for an insured or claimant." These were the issues on which we had some success in the Minnesota Senate in 2015 – but for which we failed to secure House support in the House-Senate Conference Committee with jurisdiction over Department of Commerce matters.

As we worked to line things up for 2016, the Senate asked that we demonstrate some progress in the House toward acceptance of the AASP-MN provisions. To this end, we met with several legislators, as well as with representatives of various insurance companies and the insurance industry association. These discussions did not produce progress in terms of insurer acceptance of any of AASP-MN's provisions.

Without some consideration from insurers, the AASP-MN bill would have generated controversy – which the House Committee Chair preferred to avoid. And the insurance industry clearly had time on their side this year. The 2016 Session is the shortest in recent history – perhaps the shortest Session ever.

With just ten weeks from start to finish and less than four weeks to Committee deadlines, there was little time to schedule a hearing on our legislative proposal and no bills emerged which dealt with the insurance matters to which our provisions were germane.

The Legislature also failed to pass either a transportation package or a bonding (public infrastructure) bill as the 2016 Session came to a close. A Tax Bill did pass, but was not enacted due to a "pocket veto" by Governor Dayton – who refused to sign the bill because of a typographical error which would have cost the state \$100 million over the next three years. The Tax Bill would have reduced business property taxes by exempting the first \$100,000 of property value from the statewide commercial and industrial property tax.

The conventional wisdom held that the Governor and Legislative Leaders would come to terms to pass these bills in a Special Session in the weeks immediately following the May 23rd adjournment of the Legislature. However; to date, no Special Session has been called to act on these major bills.

If the Legislature and the Governor cannot come to terms, we will all have to wait until the 2017 Legislative Session to proceed with the building projects to be funded from the Bonding Bill and

the tax relief to be provided in the Tax Bill – including the business property tax exemption for the first \$100,000 of value for all businesses across the state.