

[Complaints to MN Department of Commerce about homeowner insurance doubled since 2020](#)

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Homeowners insurance complaints to the Minnesota Department of Commerce have more than doubled since 2020, jumping from 569 in 2020 to 1,185 complaints in 2023. Many of those complaints are from homeowners concerned their claims were denied or they faced high out-of-pocket costs after damage from wind and hail. Some insurance carriers now have exclusions that narrow coverage or require significantly higher deductibles for wind and hail damage, and homeowners are not aware of the changes to their policy until after they file a claim.

Commerce is urging homeowners to look for any changes that may take effect during the next insurance renewal.

“To avoid surprises after you submit a claim, be aware of possible changes to your homeowner insurance coverage,” said Commerce Deputy Commissioner of Insurance Julia Dreier. “As Minnesota experiences more effects of our changing climate, with more extreme weather events such as hailstorms and windstorms, insurance costs are going to increase, and we want Minnesotans to be prepared.”

Insurance for homes and autos has had significant premium cost increases, driven primarily by these factors:

- More extreme weather events that damage more property and cause losses of over a billion dollars in communities across Minnesota and the U.S. It is a sign of how climate change is impacting Minnesotans.
- Higher losses and costs for insurers to cover damages from more costly natural disasters. One

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impact is higher costs for reinsurance, which insurers must have to cover unexpectedly high amounts of claims.

- Economic factors, such as higher labor and material supply costs.

“In the past, homeowners’ insurance may have covered all of a policyholder’s costs to replace a roof or siding, but that may have changed,” said Dreier.

Several insurance policies now include a separate, higher deductible for hail and wind damage. For example, a homeowner might be required to pay a flat rate or 1-2 percent or more of the home’s replacement value before coverage kicks in. If someone’s home value is \$400,000 and they have a 2 percent deductible, they’ll owe \$8,000 before coverage kicks in. “We advise homeowners to consider the math,” Dreier said. “Two percent may sound affordable, but it could easily wind up being a significant expense and lead to sticker shock given the value of a typical home in Minnesota.”

RESOURCES

- [Department of Commerce Disaster Information Center](#)
- [United Policyholders Claim Guidance Library](#)
- [The Insurance Institute for Business and Home Safety](#)
- [NAIC Home Inventory App](#)

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