

MUTUAL LINK

MAFMIC

Minnesota Paid Leave: What We're Seeing in Practice

By: Julie Noble, Cain Ellsworth and Company, LLP

Minnesota's Paid Family and Medical Leave program is now live, and while it provides meaningful benefits, the early experience for both employers and employees has been mixed. As the system works through a high volume of applications, some common themes—and practical lessons—are emerging.

What employers are experiencing

For most small employers, the biggest impact has been added administration. Even under the state plan, employers are still responsible for payroll reporting, premiums (with an overall rate of 0.88%, and reduced small employer rate of .66%), employee notices, and coordinating leave with existing policies.

Visibility is also a challenge. The state manages claims and payments, but employees still turn to employers for answers—often before updates are available.

Employers are also navigating the program's broad definition of "family," which allows leave to care for individuals with a close personal relationship. This can create situations that don't align with traditional policies and require additional judgment and communication.

We're also seeing operational strain as employers work to cover roles during leave, along with concern about future premium increases starting in 2027.

What we're hearing

Across clients and the broader market, several consistent themes are emerging:

- Delays in determinations and payments
- Backlogs due to high application volume
- Limited communication while applications are under review

Some employers using private (equivalent) plans are reporting more timely payments and smoother processing. However, there is not yet reliable statewide data comparing the two approaches

What employees are experiencing

The benefit itself is meaningful, but the process can be frustrating. Delays are often tied to incomplete or mismatched information—particularly between the application, employer response, and medical certification. Applications are processed in the order received, so inconsistencies or errors will significantly slow things down.


It's also important to note that employers are not responsible for approving or denying leave—those determinations are made by the state. However, mismatched or incomplete information between the employee and employer can still contribute to delays.

Current expectations

- Determinations or requests for information may take 4+ weeks
- While program messaging may reference faster timelines, actual experience has often been longer due to application volume
- Many applicants are currently seeing total time to receive payment closer to 45+ days
- Once approved, benefits are paid weekly; if back pay is owed, multiple weekly payments are issued at the same time

Continued on next page....

Contact Us:

 (320) 271-0909

 Mafmic.org

 info@mafmic.org

MN Paid Leave Cont'

How the process works (where delays happen)

1. Talk with your employer first: Discuss timing and available PTO. The application will ask whether the employer was notified and how.
2. Apply online: The leave start date must match the medical certification. If the dates do not align, it will delay processing. If you don't know the exact date when applying, you can update it – but it's best to coordinate with your provider as early as possible. (Most leaves include a 7-day qualifying period, so short-term illnesses generally do not qualify.)
3. Employer response: The state contacts the employer to confirm details, including available PTO and leave timing. Mismatches between the application and the employer response will cause delays.
4. Medical certification: This is required and separate from the application. The medical provider must certify the need for leave. Dates, type of leave, and details must match the application. Incomplete or inconsistent certification is one of the most common reasons for delays.

Additional delays are also occurring in areas like birth certificate processing for bonding leave.

Practical suggestions

- For employers: Set expectations early—especially around timing. Encourage employees to review “Get Ready to Apply” resources before applying. Ensure internal information (dates, leave type, available PTO) is accurate and consistent, and designate a point person to manage leave coordination.
- For employees: Start early and coordinate with your employer and provider. Make sure all information and dates match across the application, employer response, and medical certification. Use the state's tools and forms to avoid incomplete submissions, double-check banking information before submitting, and plan for delays before payments begin.
- General tip: Doing things right on the front end—complete application, consistent dates, and accurate documentation—can significantly improve processing time. Use the state website for common questions, updates, and to report concerns.

Getting the details right upfront can significantly improve processing time.

Final thoughts

Minnesota's Paid Leave program is still in the early stages. This first year is a transition period, and delays, backlogs, and communication gaps are not unexpected with a new statewide system.

The most important takeaway is expectation setting. Employers and employees who understand the process—and take the time to get it right upfront—are seeing smoother outcomes. As the program matures, timelines and communication are expected to improve.

MAFMIC Board of Directors

Chairman: Brad Kullot

Chairman- Elect: Steve Schwieters

Vice Chairman: Hallie Radloff

Secretary/Treasurer: Jim Williams

Imd. Past Chairman: Roger Miller

District Directors:

District 1: Melanie Lessard

District 2: Amy Goplen

District 3: Mitch Gerdes

District 4: Jenny Thompson

District 5: Karen Weber

District 6: Gayle Elston

District 7: Kurt Holst

Statewide: Jay Kleven

Company Profile: Christianson CPA's and Consultants

Christianson CPAs and Consultants was founded in 1987 in West Central Minnesota. What started as a local accounting practice has grown into a nationally recognized accounting and consulting firm with deep roots in agriculture and renewable energy and more recently mutual insurance. Our headquarters is in Willmar, Minnesota, with additional offices in Litchfield, Paynesville, Redwood Falls, and Sauk Centre Minnesota.

What services/products do you provide?

We are a full-service accounting and consulting firm, offering:

- Tax planning and compliance
- Audit and attestation services
- Payroll and HR-related services
- CFO, controller, and accounting outsourcing
- Renewable energy and regulatory compliance
- Business advisory and consulting services

We specialize in serving clients in mutual insurance, renewable energy, agribusiness, manufacturing, and closely held businesses.

How many employees do you have?

We have over 100 employees, located throughout Minnesota and more than 15 other states.

What is your company business philosophy/mission statement?

Our philosophy is simple: "Create clients for life" by delivering thoughtful, customized solutions built on trust, innovation, and industry expertise.

What are your goals for the company in five years?

Over the next five years, Christianson aims to continue growing as a premier specialist in our industry niches including mutual insurance, renewable energy, and agriculture, while staying true to our relationship-driven roots. Our focus is on expanding our advisory and compliance leadership, investing in technology and data-driven insights, developing our people, and helping clients navigate increasing regulatory complexity with confidence.

What is your company's biggest challenge?

One of our biggest challenges is helping clients keep pace with rapidly changing regulations and industry demands. We meet this challenge by proactively guiding clients through increasingly complex requirements.

In what ways are you involved in your community?

Community is central to who we are. Our Christianson team is involved in a number of community organizations in various capacities over the regions we serve. We participate in local fundraising efforts as a collective group to strengthen our community organizations and build relationships, such as our local Chambers of Commerce, Food Shelf, and United Way, among many other organizations. We also annually award four graduating high school students a \$1,000 scholarship to advance their accounting education.

If you had to describe your company in one word, what would it be?

Collaborative.

Everything we do is built on long-term relationships, trust, and a genuine commitment to our clients' success.

Is the 180-day Repair Requirement for Replacement-Cost Coverage Enforceable?

By: John Neal, Attorney - Neal PLLC

Property insurance policies distinguish between actual cash value (ACV) and replacement cost coverage (RCV). Under most policies, the carrier pays ACV for a covered loss and withholds depreciation until repairs are made. Many policies contain a 180-day requirement from the date of loss in which the insured must repair or replace the policy in order to receive the RCV benefit.

What happens if an insured is unable to complete repairs within 180 days of a loss? Is the 180-day policy requirement for RCV enforceable? It may depend on what created the inability to meet the deadline. This question becomes more pronounced when there is a labor shortage. With current immigration policies, some companies question whether they may need to address the 180-day RCV requirement.

To analyze this issue, we must review the statutory policy requirements before turning to individual policy language. First and foremost, Minnesota law does not require replacement-cost coverage for homeowners' policies. Rather, that coverage is a creature of competing market conditions. Keeping up with the Jones, so to speak. If one carrier offers it, others often follow compete. While not mandated, where an insurer does offer replacement-cost coverage—as most do—Minn. Stat. § 65A.10 requires carriers to pay for repairing and replacing the damaged property. But the statute is silent on any 180-day requirement. Therefore, arguably, there is room for insurers to include a 180-day limitation on RCV coverage.

Continued on next page...

FIRE WATER MOLD STORM DAMAGE

RESTORE

EMERGENCY SERVICE

www.restore-24.com 320.257.4994

180-day Repair RequirementContinued

The next step is to examine the policy language. Most policies, including the MAFMIC forms, contain a 180-day requirement for RCV coverage. In other words, repairing or replacing the property within 180 days is a condition to recovering RCV coverage. Insurance policies are contracts. Minnesota courts enforce contracts, so long as they are unambiguous and do not conflict with the law. Here, the 180-day requirement is enforceable subject to the facts of each case

Bonde v. Illinois Farmers Ins. Co., 1996 WL 422504 (Minn. Ct. App. 1996) is the leading case on the subject, albeit an unpublished decision. In *Bonde*, the insured sustained an extensive fire loss to his dwelling in July 1993. The parties disputed the cost of repairs and were unable to reconcile their estimates. By December 1993, the insurer paid \$206,279.47 based on its estimate. The insured disputed the amount and requested appraisal. In July 1994, the appraisal panel issued an award of \$312,674.00, subject to \$27,560.94 in depreciation. In August 1994, the carrier paid the additional amount under the appraisal award (\$75,833.59), bringing total payments to \$284,613.06 (ACV). The insured then sued seeking the recoverable depreciation of \$27,560.94, despite failing to make any repairs. The insured's position was that he was entitled to the RCV because the appraisal panel awarded it.

The *Bonde* Court disagreed with the insured on the basis that he failed to complete any repairs. The Court noted that the insurer paid a substantial amount of the claim within the 6-month window. And, the insured did not request an extension. The Court noted however that the 180-day period may not be enforceable where the insurer hinders performance or where it is impossible to complete repairs within 180 days.

While the Court did not issue a ruling on what constitutes hinderance or impossibility, one can imagine the arguments that may apply. With respect to hinderance:

- failure to make timely ACV payments,
- disputing coverage for an extended period,
- failure to timely adjust the claim.

With respect to impossibility, an insured may argue:

- the project was too large to complete within 180 days;
- weather delays; and
- contractor shortages.

Another aspect to consider is whether the carrier waived the 180-day requirement. This may include granting an extension without a deadline, continuing to adjust the claim beyond 180 days, or otherwise leading the insured to believe that the 180-day deadline will not be enforced.

Each case is based on the facts presented. One size does not fit all on this issue. When confronted with a 180-day RCV issue, it is imperative to review those facts to determine whether that timeframe is enforceable in any giving case.

Legislative Session Update

By: Adam Axvig, MAFMIC President/CEO

As the Minnesota Legislature enters the final weeks of the 2025–2026 biennium, attention is focused on legislative leadership and lame-duck Governor Tim Walz to see what, if anything, will be completed this session.

Under Minnesota's biennial budget system, appropriations bills must be passed in odd-numbered years to fund state government and avoid a shutdown. These bills often become vehicles for additional policy provisions. In even-numbered years, however, there are no must-pass budget bills, limiting opportunities to advance more controversial measures.

This session, MAFMIC has been engaged on two key issues: appraisal requirements and responsibility for cleanup following law enforcement actions at a residence.

The appraisal issue emerged after last summer's storms in the Bemidji area, where residents expressed frustration with the claims process—particularly access to appraisal. In response, a bill was introduced to extend the appraisal window to two years and require carriers to offer appraisal for all perils. MAFMIC testified that insurers also face challenges with the current process and offered to work with stakeholders during the interim to address outstanding concerns.

The second issue stems from the tragic deaths of former Minnesota House Speaker Melissa Hortman and her husband, Mark. Under current law, cities are responsible for cleanup costs following the use of chemical irritants such as tear gas. In this case, the League of Minnesota Cities Trust declined to cover the full cost of cleanup at the Hortman home.

Subsequent legislation, brought forward by the Hortman children, initially required homeowners insurers to cover these costs. The bill was later amended—with input from MAFMIC—to allow insurers to subrogate against the League of Minnesota Cities Trust to recover cleanup costs, as well as attorney fees and interest. The bill passed and was sent to the Governor on April 28.

NAMIC Congressional Contact Program – June 9–10
MAFMIC will again lead a group of members to Washington, D.C., on June 9–10 to meet with Minnesota's congressional delegation. This trip is a valuable opportunity to connect with colleagues and advocate on behalf of our industry.

We encourage strong participation and hope to have a full complement of members again this year.

If you are interested in attending, please contact MAFMIC President and CEO Adam Axvig for more information. Local MAFMIC districts may be able to help offset a portion of travel costs.

We hope you will consider joining us—your participation is important to advancing our association's work.



We support mutual insurance companies and families in Minnesota

We have spent the last 40 years providing financial advice to rural communities. We understand your unique situation and will take all those factors into consideration. Call us to learn how.

Schluchter Investment Group

1015 W. Saint Germain, Suite 400
St. Cloud, MN 56301
(320) 203-6543
www.schluchterinvestmentgroup.com



**Wealth
Management**

Investment and insurance products: • Not insured by the FDIC or any other federal government agency • Not a deposit of, or guaranteed by, the bank or an affiliate of the bank • May lose value

© 2026 RBC Wealth Management, a division of RBC Capital Markets, LLC, registered investment adviser and Member NYSE/FINRA/SIPC.
All rights reserved.

26-SC-00327 (01/26)

2026 Manager and Directors Seminar
July 14, 2026 - Park Event Center

Topics Offered

“Financials 101 & NAIC Requirements”
 “Manager and Directors Roles”
 “Succession Planning”
 “Adapting to thrive in the Mutual Industry using the 4 I’s”

Early Bird Registration Deadline: June 26, 2026 and save \$20

Register Today!

Farmers Mutual Insurance Company Manchester
Celebrating 150 Years: 1876 – 2026

Please join us as we celebrate a remarkable milestone — **150 years of service** at Farmers Mutual Insurance Company! Since 1876, we have been proud to serve our community, and we would be honored to celebrate this achievement with you.

Open House Celebration

 **June 18, 2026**
 **4:00 – 7:00 PM**
 **Edgewater Pavilion**
1940 Edgewater Drive, Albert Lea, MN 56007

Enjoy an evening of food, beverages, and fellowship as we reflect on our history and look ahead to the future. We hope you can join us for this special occasion!

Help us celebrate 150 Years!

Register Now

MAFMIC Annual Golf Outing
 July 13th, 2026
 Little Crow County Club, Spicer, MN
 Help support the MAFMIC Scholarship Fund

 **IMT SOFTWARE SERVICES**

Complete Suite of Online Software

Mutual Tools	Agency Tools
Policy Maintenance	Quoting
AP / GL	Policy Search
Claims	Agency Download
Imaging	...and more!



www.imtapps.com | marketing@imtapps.com | (800) 274-3531

MAFMIC “Favorite Recipes” Cookbook

We are organizing a cookbook as a fundraiser for the Scholarship Fund.

The deadline for adding recipes is May 30, 2026.

After May 30, 2026 you will not have access to add any new recipes or edit your recipes. The system will be locked.

All recipes must be submitted online.

We are not accepting paper recipes.

The instructions are listed below.

Please do not wait to add recipes. Do it now! We will need approximately 500 recipes to make a good size cookbook. Thank you!

If you don't feel comfortable doing this online you can email your recipe to MAFMIC at dani@mafmic.org and we will enter it online for you.



Instructions are:

1. Go to www.typensave.com
2. Click “Login”
3. Username/Group Name = mafmic
4. Password = granola606
5. Click “Review Recipe Writing Tips”
6. Click “Add Recipe”
7. Fill in First Name
8. Fill in Last Name
9. Additional Contributor = add your mutual or company name
10. Type Recipe
11. Notes: Add any special notes
12. Click “Preview”. Make sure to Proof your recipe carefully!
13. Click “Save”
14. Add the next recipe click “Add Recipe”

Your Preferred Payment Partner



Simplified Payments



Outstanding Personalized Support

Optimize Your Payments Today!

Manage time, money, and risk to make payments work for you!

- Process ACH, credit cards, and check scanning with ease.
- Direct Deposit Agent Commissions.
- Accelerated Settlement Available

ReliaFund can help.

We've been serving companies like yours since 2001. We are ready to serve you!

No long-term contract required



Comprehensive Electronic Payment Services

866-243-5040

sales@ReliaFund.com
www.ReliaFund.com

Editorial Advisory Committee

Karla Bauer - Chairman

Great Rivers Mutual

Abby DeZeeuw

Cain Ellsworth & Company, LLP

Randy Green

Green Wealth Management Group

Melanie Lessard

Vineland-Huntsville Mutual

Wendi Loveland

Young America Mutual

John Neal

Neal, PLLC

Courtney Rachel

ServPro of St. Cloud

Missy Romano

RAM Mutual

MAFMIC Staff

Adam, Dani and Arlette

NEW! Electronic Invoicing Solution Claims Disbursement

2026 MAFMIC Calendar of Events

[May 12 - 14](#)

NAMIC Farm Forum, Nashville, TN

[June 9-10](#)

MAFMIC CCP Visitation, Wasington D.C.

[July 13](#)

MAFMIC Golf Outing, Spicer

[July 14](#)

Manager & Directors Seminar, St. Cloud

[August 11 & 12](#)

Agents Meetings, St. Cloud (11th) & Mankato (12th)

[August 18-19](#)

RAAC Meeting, St. Cloud

[November 18-19](#)

Short Course, St. Cloud



PowerInspection

HRI

Hawkins Research, Inc.
www.powerclaim.com
 1-800-736-1246

PowerClaim **PowerITV**



IN SYMPATHY



Keith M. Anderson

Keith Anderson former president of MAFMIC passed away on March 6, 2026.

[\(Link to Obituary\)](#)

Save the Date

MAFMIC 132nd Annual Convention

February 7-9, 2027



BUILD YOUR BUSINESS WITH OUR RESOURCES

Claims adjusting, underwriting assistance, strategic planning, marketing, agent recruitment, training programs, and financial services are some of the added services Grinnell Re offers. We're here to support your success.

STRONG | STABLE | SECURE

grinnellmutual.com



Grinnell Re® is a registered trademark of Grinnell Mutual Reinsurance Company. © Grinnell Mutual Reinsurance Company, 2025.