

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Bulletin 2012 - 02 - INS

In the matter of

**Michigan Property and Casualty Guaranty Association's
Annual Adjustment of the Net Worth Limit and Claim Cap
Pursuant to MCL 500.7925(4) and MCL 500.7925(6)**

**Issued and entered
this 9th day of February 2012
By R. Kevin Clinton
Commissioner**

This bulletin supersedes Bulletin 2011-03-INS, dated January 21, 2011.

INFORMATIONAL STATEMENT ISSUED PURSUANT TO 2006 PA 362

The Property and Casualty Guaranty Association Act was amended by 2006 PA 362, effective September 18, 2006, to require the Commissioner of the Office of Financial and Insurance Regulation to certify annually the United States Consumer Price Index (CPI) adjusted calculation of an insured's net worth limit and an insured's covered claim cap. By issuing this bulletin, the Commissioner certifies that he has performed the CPI review as of December 31, 2011.

To determine whether an insured's covered claim against the Property and Casualty Guaranty Association (Association) represents an obligation of the Association, MCL 500.7925(4) establishes the insured's net worth limit at \$25,000,000, adjusted annually to reflect the aggregate annual percentage change in the CPI, rounded to the nearest \$10,000. Accordingly, the Commissioner certifies the insured's net worth limit effective January 1, 2012 through December 31, 2012, is \$27,900,000.

MCL 500.7925(6) establishes the insured's covered claim cap at \$5,000,000, adjusted annually by the CPI to reflect the aggregate annual percentage change in the CPI, rounded to the nearest \$10,000. Claims for workers' compensation or personal protection insurance benefits under MCL 500.3107 are excluded from the \$5,000,000 claim cap. Accordingly, the Commissioner certifies the insured's covered claims cap effective January 1, 2012 through December 31, 2012, is \$5,580,000.

MCL 500.7925(8)(a) defines the CPI as the index for All Urban Consumers in the United States City Average, as reported by the United States Department of Labor, Bureau of Labor Statistics, and as certified by the Commissioner.

Any questions regarding this bulletin should be directed to:

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R. Kevin Clinton
Commissioner