

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Bulletin 2018-17-INS

In the matter of:
Home Insurance – Adjustment in Value Based
on Consumer Price Index

Issued and entered
This 2nd day of July 2018
By Patrick M. McPharlin
Director

This bulletin supersedes Bulletin 2012-08-INS, dated May 22, 2012.

Under Section 2117(2) of the Insurance Code, MCL 500.2117(2), the underwriting rules that an insurer may establish for home insurance may be based only on specific standards. Among these is the dollar amount of the three-year claim history to be used for nonrenewal of a home insurance policy, pursuant to Section 2117(2)(e), MCL 500.2117(2)(e). Pursuant to Section 2117(5), the Director of the Department of Insurance and Financial Services is required to adjust the minimum dollar amounts of aggregated home insurance claims every sixth year to reflect the aggregate annual average percentage change since the last adjustment in the consumer price index (CPI)¹ rounded to the nearest hundred dollars. The Director has performed this adjustment based on the CPI multiplier for the six years from December 31, 2011, through December 31, 2017.

As of January 1, 2018, the new minimum dollar amount under MCL 500.2117 for three paid claims within the immediately preceding three years totaling \$3,700 or more, exclusive of weather-related claims, is **\$4,000**.

As of January 1, 2018, the new minimum dollar amount under MCL 500.2117 for three paid claims within the immediately preceding three-years totaling \$5,000 or more, including weather-related claims, is **\$5,300**.

Any questions regarding this bulletin should be directed to:

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/s/

Patrick M. McPharlin
Director

¹ Under Section 2117(5), "CPI" means the CPI for all urban consumers in the U.S. city average, as most recently reported by the U.S. Department of Labor.