

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Bulletin 2020-45-INS

In the matter of:

Annual Adjustment of the Fire Insurance Maximum Escrow
under the Michigan Insurance Code

**Issued and entered
this 18th day of November 2020
by Anita G. Fox
Director**

This bulletin supersedes Bulletin 2019-23-INS, dated November 15, 2019.

Sections 2227 and 2845 of the Michigan Insurance Code, 1956 PA 218, MCL 500.2227 and 500.2845, allows a municipality participating in the fire insurance withholding program to escrow 25% of fire insurance settlements for losses to real property within its boundaries, provided certain criteria are met. Beginning January 1, 2015, for residential property, the 25% settlement or judgment subject to escrow shall not exceed \$12,000, adjusted annually January 1 of each year in accordance with the consumer price index.

Accordingly, the adjusted fire insurance maximum withholding amount, effective January 1, 2021 through December 31, 2021, is \$13,117.

Any questions regarding this bulletin should be directed to:

Department of Insurance and Financial Services
Office of Research, Rules, and Appeals
P.O. Box 30220
Lansing, Michigan 48909-7720
Toll-Free: (877) 999-6442

/s/

Anita G. Fox
Director