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## HOUSE FISCAL AGENCY

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HB4029 SUBSTITUTE  
H-1

Sponsor  
Committee

Rep. Andrew Richner  
INSURANCE AND FINANCIAL  
SERVICES

Analyst(s) Schneider, Bob

Completed 3/23/01

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### State Fiscal Impact

Cost	None
Revenues	None

### Local Fiscal Impact

Cost	None
Revenues	None

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The bill amends provisions of the Insurance Code that limit the underwriting rules applicable to insurance companies that write homeowner's insurance policies. Under current law, insurance companies may consider the claim history of policy (excluding liability claims) in deciding against renewing a policy if there have been three claims paid on the policy during the immediately preceding three-year period totaling at least \$750, excluding weather-related claims, and/or \$1,000, including weather-related claims.

Effective January 1, 2002, the bill would revise these threshold amounts to \$1,500 in non-weather-related claims and/or \$2,000 including weather-related claims. The bill also requires the insurer to have an underwriting rule in place that meets certain criteria. Finally, the bill would adjust the threshold amounts every six years beginning on January 1, 2006 to reflect changes in the Consumer Price Index. Since the bill impacts private transactions between insurers and insured homeowners only, it would have no fiscal impact on the State or on local units of government.