

Date: February 15, 2019

To: Tammy Lohmann, Bob Boyce, Hannah Van Thomme, Phil Vigliaturo

From: Connor Meyer *CM*

Subject: Homeowners Insurance Threshold for Surplus Lines Annual Update of MN §60A.201 Subdivision 2(c)

MN §60A.201 Subdivision 2(c) requires that certain types of insurance be automatically presumed available from licensed insurance companies and therefore unavailable from surplus lines carriers. Included in these types of insurance are homeowners and property insurance on owner-occupied dwellings if the value is less than a specified dollar threshold. This dollar threshold was set at \$500,000 when the original bill was enacted into law in 1981. The Department of Commerce has adjusted it annually since then, based on the change in the consumer price index for the Minneapolis-St. Paul metropolitan area.

Based on the consumer price index for the Minneapolis-St. Paul metropolitan area, the revised statutory threshold is \$1,552,000 (rounded to the nearest thousand).

Consumer Price Index for the Minneapolis-St. Paul Metropolitan Area
CPI-U Series ID: CUURS24ASA0

Year	Index	% Change Since 1980	60A.201 Threshold
1980	78.9		500,000
1981	88.6	12%	561,000
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2012	224.5	185%	1,422,000
2013	228.8	190%	1,450,000
2014	232.0	194%	1,470,000
2015	230.6	192%	1,461,000
2016	234.1	197%	1,484,000
2017	239.2	203%	1,516,000
2018	245.0	211%	1,552,000

See folder: I:\PA\PC\P&C Actuary\statutory updates\60A.201 homeowners\2019
spreadsheet: MN 60A.201 Subd 2(c)2019.xlsx
word document: MN 60A.201.2c.2019.doc