

# State of Michigan

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To provide you details on the impacts of Risk Rating 2.0, we've converted the percentages into the actual policy counts. We are using the percentages as shown on the color bar graph in the state profile for Michigan which can be viewed at

<http://www.fema.gov/nfiptransformation>.

## Summary of breakouts:

Here's what the picture looks like in Michigan:

1. Beginning with the more **extreme ranges** for the **green** and **grey** bars of the breakout:
  - **For all structure types of Michigan National Flood Insurance Program policies:** (Commercial, Condos, Multi-Family, Single Family)
    - The attached breakout shows **2,763 policyholders** will see **decreases** of more than \$100 per month (\$1200 in the first year) (**Extreme end of the Green Bar**).
    - **5 policyholders** seeing **increases** over \$100 per month (\$1200 in the first year) (**Extreme end of the Grey Bar**).
  - **For all single-family home Michigan policies:**
    - The attached breakout shows **2,155 single-family home policyholders** will see **decreases** of more than \$100 per month (\$1200 in the first year) (**Extreme end of the Green Bar**).
    - **0 single-family home policyholders** seeing **increases** over \$100 per month (\$1200 in the first year) (**Extreme end of the Grey Bar**).
2. Next, **the full range of policy counts** for the **green** and **grey** bars of the breakout:
  - **For all structure types of Michigan National Flood Insurance Program policies:** (Commercial, Condos, Multi-Family, Single Family)
    - The sheet showed **11,120 policyholders** seeing decreases (**Green Bar**). (note slight difference with the detailed data is due to rounding differences)
    - **302 policyholders** seeing **increases** over \$20 per month (**Grey Bar**).



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- **For all single-family home Michigan policies:**
  - The attached breakout shows **8,838 single-family home policyholders** seeing **decreases (Green Bar)**.
  - **67 single-family home policyholders** seeing **increases** over \$20 per month **(Grey Bar)**.
- 3. Finally, the **remaining policy counts** grouped in the **light blue** and **dark blue** bars.
  - For all structure types of **Michigan National Flood Insurance Program policies:** (Commercial, Condos, Multi-Family, Single Family)
    - The sheet showed **8,436 policyholders** seeing increases of \$0 to \$10 per month **(light blue bar)**.
    - **623 policyholders** seeing **increases** of \$10 to \$20 per month **(dark blue bar)**.
  - **For all single-family home Michigan National Flood Insurance Program policies:**
    - The attached breakout shows **7,264 single-family home policyholders** seeing increase of \$0 to \$10 per month **(light blue bar)**.
    - **444 single-family home policyholders** seeing **increases** of \$10 to \$20 per month **(dark blue bar)**.

#### **Additional Notes**

- Under the current rating methodology policyholders have been seeing an average annual increase of just over 11% or \$8 per month. Thus, Risk Rating 2.0 would increase the annual premium for these two groups roughly between \$2 and \$12 per month.
- Premiums are ultimately driven by variables that an individual policyholder controls. Upon receipt of a premium, a policyholder can change the parameters (such as the level of coverage limits, deductibles, and other additional data or take a mitigation action) that impact their properties unique rate. This is the same process that exists today under the current methodology.