

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.2027 Unfair methods of competition and unfair or deceptive acts or practices; prohibited conduct.**

Sec. 2027.

Unfair methods of competition and unfair or deceptive acts or practices in the business of insurance include:

(a) Refusing to insure, refusing to continue to insure, or limiting the amount of coverage available to an individual or risk because of any of the following:

(i) Race, color, creed, marital status, sex, national origin, gender, gender identity or expression, or sexual orientation, except that marital status may be used to classify individuals or risks for the purpose of insuring family units.

(ii) The residence, age, disability, or lawful occupation of the individual or the location of the risk, unless there is a reasonable relationship between the residence, age, disability, or lawful occupation of the individual or the location of the risk and the extent of the risk or the coverage issued or to be issued, but subject to subparagraph (iii). This section does not prohibit an insurer from specializing in or limiting its transactions of insurance to certain occupational groups, types, or risks as approved by the director. The director shall approve the specialization for an insurer licensed to do business in this state and whose articles of incorporation contained a provision on July 1,

1976, requiring that specialization.

(iii) For property insurance, the location of the risk, unless there is a statistically significant relationship between the location of the risk and a risk of loss due to fire within the area in which the insured property is located. As used in this subparagraph, "area" means a single zip code number under the zoning improvement plan of the United States Postal Service.

(b) Refusing to insure or refusing to continue to insure an individual or risk solely because the insured or applicant was previously denied insurance coverage by an insurer.

(c) Charging a different rate for the same coverage based on race, color, creed, marital status, sex, national origin, gender, gender identity or expression, sexual orientation, age, residence, location of risk, disability, or lawful occupation of the risk unless the rate differential is based on sound actuarial principles and a reasonable classification system, and is related to the actual and credible loss statistics or, for new coverages, reasonably anticipated experience. This subdivision does not apply if the rate has previously been approved by the director.

**History:** Add. 1976, Act 273, Eff. Apr. 1, 1977 ;-- Am. 1998, Act 26, Imd. Eff. Mar. 12, 1998 ;-- Am. 2023, Act 156, Eff. Feb. 13, 2024  
**Popular Name:** Act 218