

SENATE BILL No. 147

March 6, 1991, Introduced by Senator WARTNER and referred to the Committee on Commerce.

A bill to amend section 922 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

being section 500.922 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 922 of Act No. 218 of the Public Acts of
2 1956, being section 500.922 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 922. (1) ~~Any~~ EXCEPT AS OTHERWISE PROVIDED IN
5 SUBSECTION (2), AN insurer may purchase ~~such~~ stocks, bonds,
6 ~~or~~ AND other evidence of indebtedness of solvent corporations
7 as APPROVED BY its board of directors or a committee of ~~such~~
8 THE board ~~—~~ entrusted ~~by it~~ with the investment of ~~such~~ THE
9 company's funds. ~~—, in the exercise of its judgment may deem~~
10 ~~proper and such~~ THE insurer may hold ~~such~~ THE stocks, bonds,

1 ~~or~~ AND other evidences of indebtedness ~~so purchased~~ as an
2 investment.

3 (2) A DOMESTIC LIFE INSURER SHALL NOT INVEST MORE THAN 20%
4 OF ITS ASSETS IN HIGH-YIELD, HIGH-RISK OBLIGATIONS.

5 (3) AS USED IN THIS SECTION, "HIGH-YIELD, HIGH-RISK
6 OBLIGATIONS" MEANS OBLIGATIONS THAT ARE NOT IN 1 OF THE TOP 4
7 GENERIC LETTERED RATING CLASSIFICATIONS OF A SECURITIES RATING
8 ORGANIZATION APPROVED BY THE COMMISSIONER.