
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 604 (as reported without amendment)
Sponsor: Senator Valde Garcia
Committee: Financial Services

CONTENT

The bill would amend the Insurance Code to eliminate mandatory examinations of licensed organizations that provide certain services to insurers.

Under current law, the Commissioner of the Office of Financial and Insurance Services must examine licensed rating, advisory, and underwriting organizations at least every five years. Organizations providing services to both general casualty (excluding workers' compensation) and fire and inland marine insurers are subject to the examinations. The reasonable costs of an examination must be paid by the agency being examined.

The bill would permit, rather than require, the Commissioner to examine the organizations, and would delete the five-year time frame. This change would apply to general casualty as well as fire and marine rating, advisory, and underwriting agencies.

MCL 500.268 & 500.2662

Legislative Analyst: C. Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 10-5-01

Fiscal Analyst: M. Tyszkiewicz