

SUBSTITUTE FOR
HOUSE BILL NO. 5281

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 410a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 410a. (1) To qualify for and maintain authority to
2 transact insurance in this state solely as a bail bond surety and
3 fidelity insurance company on or after February 1, 2004, an
4 insurer in good standing in its state of domicile that is subject
5 to regulation by the commissioner shall possess and thereafter
6 maintain unimpaired capital and surplus in an amount determined
7 adequate by the commissioner to continue to comply with section
8 403 but not less than \$4,500,000.00 and have, in addition, not
9 less than \$3,000,000.00 in current guarantees and security with
10 respect to bail bonds issued by the insurer in states in which it
11 is then authorized. An insurer with authority to transact bail

1 bond surety and fidelity insurance in this state shall not offer
2 or provide surety and fidelity coverages other than bail bonds.

3 (2) The commissioner shall take into account the risk based
4 capital requirements as developed by the national association of
5 insurance commissioners and the claims history for Michigan bail
6 bonds issued by the licensed bail bond agencies for which the
7 insurer will be or is issuing bail bonds in Michigan in order to
8 determine adequate compliance with section 403.

9 (3) As used in this section, "bail bond surety and fidelity
10 insurance" is surety and fidelity insurance that is limited to
11 the provision of bail bonds.