

SUBSTITUTE FOR
HOUSE BILL NO. 5675

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 404a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 404A. (1) IF A DOMESTIC, FOREIGN, OR ALIEN INSURER IS
2 REQUIRED BY THE COMMISSIONER DURING THE COURSE OF APPLICATION FOR
3 ADMISSION TO FURNISH FINANCIAL STATEMENTS OF THE APPLICANT
4 INSURER'S PARENT CORPORATION, WHICH CORPORATION IS A FAMILY TRUST
5 OR CLOSELY HELD CORPORATION WITH THE SOLE SPECIFIC PURPOSE OF
6 HOLDING THE ASSETS OF THE FAMILY'S PERSONAL WEALTH, OR TO FURNISH
7 PERSONAL FINANCIAL STATEMENTS OF CONTROLLING INDIVIDUALS OF THE
8 APPLICANT INSURER, ALL OF THE FOLLOWING APPLY:

9 (A) THE COMMISSIONER SHALL WITHHOLD THE FINANCIAL STATEMENTS
10 FROM PUBLIC INSPECTION.

1 (B) THE FINANCIAL STATEMENTS ARE TO BE HELD CONFIDENTIAL.

2 (C) THE FINANCIAL STATEMENTS SHALL NOT BE SUBJECT TO SUBPOENA.

3 (D) THE FINANCIAL STATEMENTS SHALL NOT BE DIVULGED TO ANY
4 PERSON, EXCEPT AS PROVIDED IN THIS SECTION.

5 (2) IF ASSURANCES ARE PROVIDED THAT THE FINANCIAL STATEMENTS
6 UNDER SUBSECTION (1) WILL BE KEPT CONFIDENTIAL, THE COMMISSIONER
7 MAY DISCLOSE THE FINANCIAL STATEMENTS FOR GOOD CAUSE AS FOLLOWS:

8 (A) TO THE GOVERNOR OR THE ATTORNEY GENERAL.

9 (B) TO ANY RELEVANT REGULATORY AGENCY AS IT RELATES TO THE
10 INSURER, INCLUDING REGULATORY AGENCIES OF OTHER STATES OR THE
11 FEDERAL GOVERNMENT.

12 (C) IN CONNECTION WITH AN ENFORCEMENT ACTION BROUGHT PURSUANT
13 TO THIS OR ANOTHER APPLICABLE ACT.

14 (D) TO LAW ENFORCEMENT OFFICIALS.

15 (E) TO PERSONS AUTHORIZED BY THE INGHAM COUNTY CIRCUIT COURT
16 TO RECEIVE THE INFORMATION.

17 (F) TO PERSONS ENTITLED TO RECEIVE SUCH INFORMATION IN ORDER
18 TO DISCHARGE DUTIES SPECIFICALLY PROVIDED FOR IN THIS ACT.

19 (3) THE CONFIDENTIALITY REQUIREMENTS OF SUBSECTION (1) DO NOT
20 APPLY IN ANY PROCEEDING OR ACTION BROUGHT AGAINST OR BY THE INSURER
21 UNDER THIS ACT OR ANY OTHER APPLICABLE ACT OF THIS STATE, ANY OTHER
22 STATE, OR THE UNITED STATES.