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Senate Bill 825 (as introduced 9-15-09)

Sponsor: Senator Jason E. Allen

Committee: Economic Development and Regulatory Reform

Date Completed: 5-5-10

## **CONTENT**

The bill would amend the Insurance Code to increase the limit on an insurer's exposure for any loss on any one risk or hazard.

Under the Code, an insurer transacting business in Michigan may not expose itself to any loss on any one risk or hazard in an amount exceeding 10% of its paid-up capital and surplus. No portion of a risk or hazard that has been reinsured in an insurer licensed to do business in Michigan is included in determining the limitation of risk.

The bill would increase the limit to 50% of the insurer's paid-up capital and surplus.

MCL 500.640 Legislative Analyst: Patrick Affholter

## **FISCAL IMPACT**

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

Fiscal Analyst: Elizabeth Pratt

Maria Tyszkiewicz