

# SENATE BILL No. 825

September 15, 2009, Introduced by Senator ALLEN and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 640 (MCL 500.640), as amended by 1992 PA 182.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 640. An insurer transacting business in this state shall  
2 not expose itself to any loss on any 1 risk or hazard in an amount  
3 exceeding ~~10%~~ 50% of its paid-up capital and surplus. However, no  
4 portion of a risk or hazard that has been reinsured in an insurer  
5 licensed to do insurance business in this state shall be included  
6 in determining the limitation of risk prescribed in this section.