



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5514 (Substitute S-1 as reported)
Sponsor: Representative Lana Theis
House Committee: Insurance
Senate Committee: Insurance

CONTENT

The bill would amend the Insurance Code to prescribe the mortality tables to be used as the minimum standard for the valuation of individual annuity and pure endowment contracts (including those purchased under group contracts) issued after December 31, 2014; and authorize the use of a modified table or a different table subsequently adopted by the National Association of Insurance Commissioners and approved by the Director of the Department of Insurance and Financial Services.

The bill also would eliminate a \$25 filing fee associated with the annual statement that foreign and alien insurers transacting business in Michigan are required to file with the Director.

MCL 500.834 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

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

The bill would remove an annual filing fee of \$25 for the required annual statement of foreign and alien insurers. This fee, as with all other fees administered by the Department, is deposited into the Insurance Bureau Fund. Pursuant to the Code, this Fund does not lapse and is used for regulatory purposes under the Department Director's authority. The bill would reduce the annual amount of the Fund by less than 0.2%. It is expected that this loss of revenue would be absorbed by the Department with little or no impact.

Date Completed: 12-8-16

Fiscal Analyst: Michael Siracuse