



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 898 (as introduced 3-8-18)
Sponsor: Senator Joe Hune
Committee: Insurance

Date Completed: 5-23-18

CONTENT

The bill would amend the Insurance Code to modify the deadline by which a captive insurance company must submit a report on its financial condition to the Director of the Department of Insurance and Financial Services, and allow a captive insurer to report using international financial reporting standards with the Director's permission.

Under the Code, by March 1 of each year, a captive insurance company must submit to the Director a report of its financial condition. The bill would require the report to be submitted not later than 60 days after the end of a captive insurance company's fiscal year.

The Code permits a captive insurance company to report using generally accepted accounting principles or, with the approval of the Director, statutory accounting principles, with useful or necessary modifications or adaptations required or approved or accepted by the Director for the type of insurance and kinds of insurers to be reported on. The bill also would allow a captive insurance company to report using international financial reporting standards with the Director's permission.

(The Code defines "captive insurance company" as a pure captive insurance company, association captive insurance company, sponsored captive insurance company, special purpose captive insurance company, or industrial insured captive insurance company authorized under the Code.)

MCL 500.4621

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Raczkowski

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.