Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5242 (Substitute H-1 as reported without amendment)
Sponsor: Representative Robert Wittenberg
House Committee: Insurance
Ways and Means
Senate Committee: Insurance and Banking

CONTENT

The bill would amend Chapter 13 (Holding Companies) of the Insurance Code to do the following:

-- Allow the Director of the Department of Insurance and Financial Services to act as the group-wide supervisor for an internationally active insurance group (IAIG) or to acknowledge a regulatory official from another jurisdiction as the IAIG's group-wide supervisor.
-- Allow the Director to engage in certain group-wide supervision activities, if he or she were the group-wide supervisor for the IAIG.
-- Allow the Director to reasonably cooperate with group-wide supervision undertaken by the group-wide supervisor under certain circumstances, if the Director acknowledged that another regulatory official from another jurisdiction that was not accredited by the National Association of Insurance Commissioners was the group-wide supervisor.

MCL 500.1301 et al. Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would not have a significant fiscal impact on the Department of Insurance and Financial Services and would have no fiscal impact on local governments. Although the bill would allow the Director of the Department to assume additional supervisory responsibilities for an eligible insurance group, it also would require the group to pay for reasonable expenses incurred by the Director in performing those responsibilities. In addition, other actions required by the bill would be covered by existing appropriations.

Date Completed: 1-9-20 Fiscal Analyst: Elizabeth Raczkowski

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.