

Act No. 262
Public Acts of 2022
Approved by the Governor
December 22, 2022
Filed with the Secretary of State
December 22, 2022
EFFECTIVE DATE: Sine Die

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2022**

Introduced by Reps. Steenland, Beeler, Harris, Borton, Anthony, Calley and Sneller

ENROLLED HOUSE BILL No. 6301

AN ACT to amend 1956 PA 218, entitled “An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act,” (MCL 500.100 to 500.8302) by adding section 1325b.

The People of the State of Michigan enact:

Sec. 1325b. (1) Except as otherwise provided in this section, the ultimate controlling person of an insurer subject to registration under section 1324 shall concurrently file with the registration an annual group capital calculation as directed by the lead state commissioner.

(2) The annual group capital calculation must meet all of the following requirements:

(a) Be completed in accordance with the group capital calculation instructions, which may permit the lead state commissioner to allow a controlling person that is not the ultimate controlling person to file the group capital calculation.

(b) Be filed with the lead state commissioner.

(3) The following insurance holding company systems are exempt from filing the annual group capital calculation under subsection (1):

(a) An insurance holding company system that meets all of the following requirements:

(i) Has only 1 insurer within its holding company structure.

(ii) Writes only business.

(iii) Is licensed only in its domestic state.

(iv) Does not assume business from any other insurer.

(b) An insurance holding company system that is required to perform a group capital calculation specified by the Federal Reserve Board, if the lead state commissioner requests the calculation from the Federal Reserve Board under the terms of any information sharing agreement in effect and the Federal Reserve Board shares the calculation with the lead state commissioner.

(c) Except as otherwise provided in subsection (4), an insurance holding company system whose non-United States group-wide supervisor is located within a reciprocal jurisdiction, as described in section 1103, that recognizes the United States state's regulatory approach to group supervision and group capital.

(d) Except as otherwise provided in subsection (4), an insurance holding company system that meets both of the following requirements:

(i) The system provides information to the lead state that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly, through the group-wide supervisor who has determined that the information is satisfactory to allow the lead state to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook.

(ii) The system's non-United States group-wide supervisor is not in a reciprocal jurisdiction, as described in section 1103, and recognizes and accepts, as specified by the director, the group capital calculation as the world-wide group capital assessment for United States insurance groups that operate in that jurisdiction.

(4) The lead state commissioner shall require the group capital calculation for United States operations of any non-United States based insurance holding company system if, after any necessary consultation with other supervisors or officials, it is considered appropriate by the lead state commissioner for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

(5) The lead state commissioner may exempt the ultimate controlling person from filing the annual group capital calculation or accept a limited group capital filing or report in accordance with criteria specified by the director.

(6) If the lead state commissioner determines that an insurance holding company system no longer qualifies as 1 or more of the systems exempted under subsection (3), the insurance holding company system must file the group capital calculation at the next annual filing date unless given an extension by the lead state commissioner based on reasonable grounds shown.

(7) As used in this section, "group capital calculation instructions" means the group calculation instructions that are adopted by the NAIC and amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 101st Legislature are enacted into law:

(a) House Bill No. 6297.

(b) House Bill No. 6299.

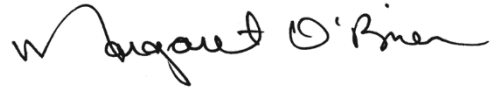
(c) House Bill No. 6302.

(d) House Bill No. 6303.

- (e) House Bill No. 6300.
- (f) House Bill No. 6298.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

House Bill No. 6297 was filed with the Secretary of State December 22, 2022, and became 2022 PA 258, Eff. Mar. 29, 2023.

House Bill No. 6299 was filed with the Secretary of State December 22, 2022, and became 2022 PA 260, Eff. Mar. 29, 2023.

House Bill No. 6302 was filed with the Secretary of State December 22, 2022, and became 2022 PA 263, Eff. Mar. 29, 2023.

House Bill No. 6303 was filed with the Secretary of State December 22, 2022, and became 2022 PA 264, Eff. Mar. 29, 2023.

House Bill No. 6300 was filed with the Secretary of State December 22, 2022, and became 2022 PA 261, Eff. Mar. 29, 2023.

House Bill No. 6298 was filed with the Secretary of State December 22, 2022, and became 2022 PA 259, Eff. Mar. 29, 2023.