

HOUSE BILL NO. 6297

June 30, 2022, Introduced by Reps. Beeler, Harris, Steenland, Borton, Anthony, Calley and Sneller
and referred to the Committee on Rules and Competitiveness.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 1301 (MCL 500.1301), as amended by 2020 PA 16.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1301. As used in this chapter:
- 2 (a) "Enterprise risk" means an activity, circumstance, event,
- 3 or series of events involving 1 or more affiliates of an insurer
- 4 that, if not remedied promptly, is likely to have a material
- 5 adverse effect on the financial condition or liquidity of the
- 6 insurer or its insurance holding company system as a whole,

1 including, but not limited to, anything that would cause the
2 insurer to be hazardous to policyholders, creditors, and the
3 public.

4 (b) "Group-wide supervisor" means the regulatory official
5 authorized to engage in conducting and coordinating group-wide
6 supervision activities who is determined or acknowledged by the
7 director under section 1359 to have sufficient contacts with the
8 internationally active insurance group.

9 (c) "Insurer" means that term as defined in section 106 and
10 includes a nonprofit dental care corporation operating under 1963
11 PA 125, MCL 550.351 to 550.373. Insurer does not include agencies,
12 authorities, or instrumentalities of the United States, its
13 possessions and territories, the commonwealth of Puerto Rico, the
14 District of Columbia or a state or political subdivision of a
15 state, fraternal benefit societies, or nonprofit health care
16 corporations.

17 (d) "Internationally active insurance group" means an
18 insurance holding company system to which both of the following
19 apply:

20 (i) The insurance holding company system includes an insurer
21 registered under section 1324.

22 (ii) The insurance holding company system meets all of the
23 following criteria:

24 (A) The insurance holding company system has premiums written
25 in at least 3 countries.

26 (B) The percentage of gross premiums written outside the
27 United States is at least 10% of the insurance holding company
28 system's total gross written premiums.

29 (C) Based on a 3-year rolling average, the total assets of the

1 insurance holding company system are at least \$50,000,000,000.00 or
2 the total gross written premiums of the insurance holding company
3 system are at least \$10,000,000,000.00.

4 (e) "Lead state commissioner" means the insurance commissioner
5 of the state in which an insurer member of an insurance holding
6 company system is domiciled and that is determined to be the lead
7 state under the procedures in the Financial Analysis Handbook, as
8 adopted by the director.

9 (f) ~~(e)~~ "NAIC" means the National Association of Insurance
10 Commissioners.

11 (g) "NAIC Liquidity Stress Test Framework" means a separate
12 NAIC publication that includes all of the following components:

13 (i) A history of the NAIC's development of regulatory liquidity
14 stress testing.

15 (ii) The liquidity stress test instructions and reporting
16 templates and scope criteria for a specified data year, which are
17 adopted by the NAIC and amended by the NAIC from time to time in
18 accordance with the procedures adopted by the NAIC.

19 (h) ~~(f)~~ "Person" means that term as defined in section 114,
20 except that it does not include a securities broker ~~performing no~~
21 **that does not perform** more than the usual and customary broker's
22 function, so long as the securities broker holds less than 10% of
23 the voting securities of an insurer or of any person that controls
24 an insurer.

25 (i) "Scope criteria" means, as detailed in the NAIC Liquidity
26 Stress Test Framework, the designated exposure bases and their
27 minimum magnitudes for a specified data year that are used to
28 establish a preliminary list of insurers considered scoped into the
29 NAIC Liquidity Stress Test Framework for that data year.

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

4 (a) Senate Bill No.____ or House Bill No. 6299 (request no.
5 06317'22).

6 (b) Senate Bill No.____ or House Bill No. 6301 (request no.
7 06318'22).

8 (c) Senate Bill No.____ or House Bill No. 6302 (request no.
9 06319'22).

10 (d) Senate Bill No.____ or House Bill No. 6303 (request no.
11 06320'22).

12 (e) Senate Bill No.____ or House Bill No. 6300 (request no.
13 06321'22).

14 (f) Senate Bill No.____ or House Bill No. 6298 (request no.
15 06322'22).