

Act No. 258
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. Beeler, Harris, Steenland, Borton, Anthony, Calley and Sneller

ENROLLED HOUSE BILL No. 6297

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,” by amending section 1301 (MCL 500.1301), as amended by 2020 PA 16.

The People of the State of Michigan enact:

Sec. 1301. As used in this chapter:

(a) “Enterprise risk” means an activity, circumstance, event, or series of events involving 1 or more affiliates of an insurer that, if not remedied promptly, is likely to have a material adverse effect on the financial condition or liquidity of the insurer or its insurance holding company system as a whole, including, but not limited to, anything that would cause the insurer to be hazardous to policyholders, creditors, and the public.

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

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

(d) “Internationally active insurance group” means an insurance holding company system to which both of the following apply:

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

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

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

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

(C) Based on a 3-year rolling average, the total assets of the insurance holding company system are at least \$50,000,000,000.00 or the total gross written premiums of the insurance holding company system are at least \$10,000,000,000.00.

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

(f) “NAIC” means the National Association of Insurance Commissioners.

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

(i) A history of the NAIC’s development of regulatory liquidity stress testing.

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

(h) “Person” means that term as defined in section 114, except that it does not include a securities broker that does not perform more than the usual and customary broker’s function, so long as the securities broker holds less than 10% of the voting securities of an insurer or of any person that controls an insurer.

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

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. 6299.

(b) House Bill No. 6301.

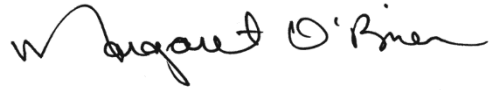
(c) House Bill No. 6302.

(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