

Act No. 260
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. Harris, Beeler, Steenland, Borton, Anthony, Calley and Sneller

ENROLLED HOUSE BILL No. 6299

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 1325a (MCL 500.1325a), as added by 2015 PA 244.

The People of the State of Michigan enact:

Sec. 1325a. (1) Except as otherwise provided in subsection (2), the ultimate controlling person of an insurer subject to registration under section 1324 shall file an annual enterprise risk report with the director or a jurisdiction designated by the director. The report must be appropriate to the nature, scale, and complexity of the operations of the insurance holding company system and must, to the best of the ultimate controlling person’s

knowledge and belief, identify the material risks within the insurance holding company system that could pose enterprise risk to the insurer. The ultimate controlling person of an insurer subject to registration under section 1324 may request an exemption from this section. The ultimate controlling person of the insurer shall file with the director a written statement discussing the reasons why the ultimate controlling person of the insurer should be exempt. The director may grant the exemption if after review of the statement the director finds that compliance with this section would create an undue financial or organizational hardship on the ultimate controlling person.

(2) The ultimate controlling person of an insurance holding company system subject to registration under section 1324 that meets the requirements of this subsection before December 23, 2015 is not required to file an annual enterprise risk report under subsection (1) if all of the following requirements are met:

(a) The ultimate controlling person is exempt from taxation under section 501(c)(5) of the internal revenue code of 1986, 26 USC 501.

(b) The ultimate controlling person was organized under the laws of this state before January 1, 1921.

(c) The director has not approved the controlling person's petition for disclaimer of affiliation or has disallowed a disclaimer of affiliation under section 1332.

(d) The insurer in which the ultimate controlling person owns a controlling interest meets both of the following requirements:

(i) Is registered under section 1324.

(ii) Is a wholly domestic insurer with not more than 10% of its written premium covering risks outside of this state and has not issued policies directly insuring any risk located outside of this state.

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.

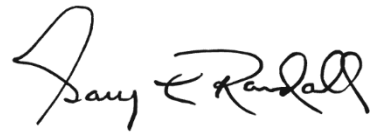
(b) House Bill No. 6301.

(c) House Bill No. 6302.

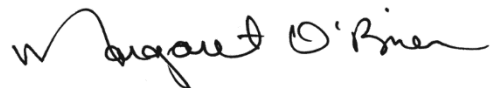
(d) House Bill No. 6303.

(e) House Bill No. 6300.

(f) House Bill No. 6298.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor