

Act No. 263
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. Sneller, Beeler, Harris, Steenland, Borton, Anthony and Calley

ENROLLED HOUSE BILL No. 6302

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 1325c.

The People of the State of Michigan enact:

Sec. 1325c. (1) Except as otherwise provided in this section, the ultimate controlling person of every insurer that is subject to registration under section 1324 and that is scoped into the NAIC liquidity stress test framework

for the specified data year shall file with the lead state commissioner the results of that year's liquidity stress test.

(2) A change to the NAIC liquidity stress test framework or to the data year for which the scope criteria are to be measured must be effective on January 1 of the year following the calendar year when the change is adopted by NAIC.

(3) An insurer that meets at least 1 threshold of the scope criteria is considered scoped into the NAIC liquidity stress test framework for the specified data year, unless the lead state commissioner, in consultation with the NAIC financial stability task force or its successor, determines that the insurer should not be scoped into the framework for the specified data year.

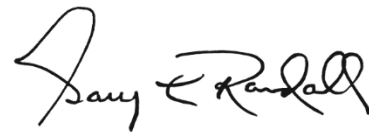
(4) An insurer that does not meet at least 1 threshold of the scope criteria is considered scoped out of the NAIC liquidity stress test framework for the specified data year, unless the lead state commissioner, in consultation with the NAIC financial stability task force or its successor, determines the insurer should be scoped into the NAIC liquidity stress test framework for the specified data year.

(5) As part of a determination made under subsection (3) or (4), the lead state commissioner, in consultation with the NAIC financial stability task force or its successor, shall consider that regulators wish to avoid having insurers scoped in and out of the NAIC liquidity stress test framework on a frequent basis.

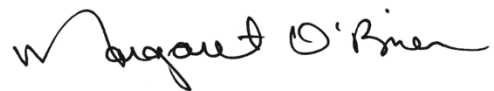
(6) The performance of, and filing of the results from, a specified year's liquidity stress test must comply with the NAIC liquidity stress test framework's instructions and reporting templates for that year and any lead state commissioner determination, in conjunction with the NAIC financial stability task force or its successor, provided within the NAIC liquidity stress test framework.

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. 6301.
- (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