

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1106 Rules.

Sec. 1106. (1) Subject to subsections (2) and (3), the director may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, with regard to reinsurance agreements concerning any of the following:

(a) Life insurance policies with guaranteed nonlevel gross premiums or guaranteed nonlevel benefits, if the reinsurance treaty meets either of the following criteria:

(i) Contains policies issued after December 31, 2014.

(ii) Contains policies issued before January 1, 2015, if the risk pertaining to the policies is ceded, in whole or in part, in connection with the treaty, after December 31, 2014.

(b) Universal life insurance policies with provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period, if the reinsurance treaty meets either of the following criteria:

(i) Contains policies issued after December 31, 2014.

(ii) Contains policies issued before January 1, 2015, if the risk pertaining to the policies is ceded, in whole or in part, in connection with the treaty, after December 31, 2014.

(c) Variable annuities with guaranteed death or living benefits.

(d) Long-term care insurance policies.

(e) Other life and health insurance and annuity products as the director considers necessary for the administration of sections 1103 and 1105.

(2) A rule promulgated under subsection (1) may require a ceding insurer to use the valuation manual adopted by the NAIC under section 11b(1) of the NAIC standard valuation law when calculating amounts or forms of security required to be held under law.

(3) A rule promulgated pursuant to subsection (1) does not apply to cessions to an assuming insurer that meets any of the following criteria:

(a) The assuming insurer meets the conditions under section 1103(7).

(b) The assuming insurer is certified as a reinsurer in this state.

(c) The assuming insurer maintains at least \$250,000,000.00 in capital and surplus when determined in accordance with the NAIC accounting practices and procedures manual and meets either of the following criteria:

(i) The assuming insurer is licensed to transact insurance or reinsurance in at least 26 states.

(ii) The assuming insurer is licensed to transact insurance or reinsurance in at least 10 states, and is licensed to transact insurance or reinsurance or accredited as a reinsurer in a total of at least 35 states.

(4) As used in this section, "NAIC" means the National Association of Insurance Commissioners.

History: Add. 2018, Act 91, Eff. June 24, 2018;—Am. 2020, Act 328, Eff. Mar. 24, 2021.

Compiler's note: Former MCL 500.1106, which pertained to administration of deposits, was repealed by Act 360 of 1972, Imd. Eff. Jan. 9, 1973.

Popular name: Act 218