

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

**500.1709 Exemptions; waiver; requirement to maintain risk management framework, conduct ORSA, and file ORSA summary report; compliance by insurer no longer qualifying for exemption.**

Sec. 1709. (1) Except as otherwise provided in subsection (5), an insurer is exempt from the requirements of this chapter, if both of the following apply:

(a) The insurer has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and federal flood program, less than \$500,000,000.00.

(b) The insurance group of which the insurer is a member has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and federal flood program, less than \$1,000,000,000.00.

(2) If an insurer qualifies for exemption under subsection (1)(a) but the insurance group of which the insurer is a member does not qualify for exemption under subsection (1)(b), the ORSA summary report that may be required under section 1707 must include every insurer within the insurance group. This requirement may be satisfied by the submission of more than 1 ORSA summary report for any combination of insurers if the combination of reports includes every insurer within the insurance group.

(3) If an insurer does not qualify for exemption under subsection (1)(a) but the insurance group of which it is a member qualifies for exemption under subsection (1)(b), the only ORSA summary report that may be required under section 1707 is the report applicable to the insurer.

(4) Subject to subsection (5), an insurer that does not qualify for exemption under subsection (1) may apply to the director for a waiver from the requirements of this chapter based on unique circumstances. In deciding whether to grant the insurer's request for a waiver, the director may consider the type and volume of business written, ownership and organizational structure, and any other factor the director considers relevant to the insurer or insurance group of which the insurer is a member. If the insurer is part of an insurance group with insurers domiciled in more than 1 state, the director shall coordinate with the lead state commissioner and with the other domiciliary commissioners in considering whether to grant the insurer's request for a waiver.

(5) Notwithstanding the exemption provided in subsection (1), the director may require 1 or more of the following:

(a) The director may require that an insurer maintain a risk management framework, conduct an ORSA, and file an ORSA summary report based on unique circumstances including, but not limited to, the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

(b) The director may require that an insurer maintain a risk management framework, conduct an ORSA, and file an ORSA summary report if the director determines 1 or more of the following:

(i) The insurer has risk-based capital for a company action level event.

(ii) The insurer meets 1 or more of the conditions described in section 436.

(iii) The operation of the insurer is hazardous to policyholders, creditors, or the public under section 436a.

(iv) The insurer exhibits qualities of a troubled insurer.

(6) If an insurer that qualifies for an exemption under subsection (1) subsequently no longer qualifies for that exemption because of an increase in premium as reflected in the insurer's most recent annual statement or in the most recent annual statements of the insurers within the insurance group of which the insurer is a member, the insurer has 1 year following the year the premium exceeded the limitation provided in subsection (1) to comply with this chapter.

**History:** Add. 2015, Act 245, Imd. Eff. Dec. 22, 2015.

**Popular name:** Act 218