

# HOUSE BILL No. 5272

November 8, 1989, Introduced by Reps. Pitoniak, Stupak, Profit, Niederstadt, Gagliardi, Brown, DeBeaussaert, Gire, DeMars, Scott, Runco and Gubow and referred to the Committee on Insurance.

A bill to amend section 814 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

as added by Act No. 173 of the Public Acts of 1986, being section 500.814 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 814 of Act No. 218 of the Public Acts of  
2 1956, as added by Act No. 173 of the Public Acts of 1986, being  
3 section 500.814 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5       Sec. 814. (1) The commissioner may require an insurer writ-  
6 ing liability insurance, other than homeowners, farmowners, and  
7 commercial multiperil, to certify the INSURER'S loss reserves ~~of~~  
8 ~~the insurer~~ by an actuary approved by the commissioner.

1       (2) AN INSURER WRITING MEDICAL MALPRACTICE, PRODUCTS  
2 LIABILITY, OR MUNICIPAL LIABILITY INSURANCE IN THIS STATE SHALL  
3 FILE ANNUALLY BY MARCH 1 WITH THE COMMISSIONER A CERTIFIED REPORT  
4 OF THE INSURER'S LOSS RESERVES. THE REPORT SHALL REVIEW THE  
5 INSURER'S LOSS RESERVES AND THE INSURER'S RATES IN RELATION TO  
6 THE RISKS AND LEVEL OF RESERVES AND SHALL BE PREPARED BY AN INDE-  
7 PENDENT CERTIFIED ACTUARY. UPON REQUEST AND FOR GOOD CAUSE  
8 SHOWN, THE COMMISSIONER MAY GRANT TO AN INSURER A REASONABLE  
9 EXTENSION OF TIME NOT TO EXCEED 30 DAYS WITHIN WHICH THE REPORT  
10 SHALL BE FILED. THE COMMISSIONER MAY SUSPEND, REVOKE, OR LIMIT  
11 THE CERTIFICATE OF AUTHORITY OF AN INSURER WHO FAILS TO FILE WITH  
12 THE COMMISSIONER THE REPORT REQUIRED BY THIS SUBSECTION.