

HOUSE BILL NO. 6299

June 30, 2022, Introduced by Reps. Harris, Beeler, Steenland, Borton, Anthony, Calley and Sneller and referred to the Committee on Rules and Competitiveness.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 1325a (MCL 500.1325a), as added by 2015 PA 244.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 system and must, to the best of the ultimate controlling person's
2 knowledge and belief, identify the material risks within the
3 insurance holding company system that could pose enterprise risk to
4 the insurer. ~~The report is not subject to subpoena or discovery, is~~
5 ~~not admissible in evidence in a private civil or administrative~~
6 ~~action, and is not subject to the freedom of information act, 1976~~
7 ~~PA 442, MCL 15.231 to 15.246.~~ The ultimate controlling person of an
8 insurer subject to registration under section 1324 may request an
9 exemption from this section. The ultimate controlling person of the
10 insurer shall file with the director a written statement discussing
11 the reasons why the ultimate controlling person of the insurer
12 should be exempt. The director may grant the exemption if after
13 review of the statement the director finds that compliance with
14 this section would create an undue financial or organizational
15 hardship on the ultimate controlling person.

16 (2) The ultimate controlling person of an insurance holding
17 company system subject to registration under section 1324 that
18 meets the requirements of this subsection ~~on or before the~~
19 ~~effective date of the amendatory act that added this section~~
20 **December 23, 2015** is not required to file an annual enterprise risk
21 report under subsection (1) if all of the following requirements
22 are met:

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

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

28 (c) The director has not approved the controlling person's
29 petition for disclaimer of affiliation or has disallowed a

1 disclaimer of affiliation under section 1332.

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

4 (i) Is registered under section 1324.

5 (ii) Is a wholly domestic insurer with ~~no~~**not** more than 10% of
6 its written premium covering risks outside of this state and has
7 not issued policies directly insuring any risk located outside of
8 this state.

9 Enacting section 1 This amendatory act does not take effect
10 unless all of the following bills of the 101st Legislature are
11 enacted into law:

12 (a) Senate Bill No. _____ or House Bill No. 6297 (request no.
13 05935'22).

14 (b) Senate Bill No. _____ or House Bill No. 6301 (request no.
15 06318'22).

16 (c) Senate Bill No. _____ or House Bill No. 6302 (request no.
17 06319'22).

18 (d) Senate Bill No. _____ or House Bill No. 6303 (request no.
19 06320'22).

20 (e) Senate Bill No. _____ or House Bill No. 6300 (request no.
21 06321'22).

22 (f) Senate Bill No. _____ or House Bill No. 6298 (request no.
23 06322'22).