



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 712 (as reported without amendment)
Sponsor: Senator Michael D. MacDonald
Committee: Insurance and Banking

CONTENT

The bill would amend Chapter 81a (Fraternal Benefit Societies) of the Insurance Code to do the following:

- Specify that an assessment of a proportion of a deficiency would not take effect until 90 days after the date the Director of the Department of Insurance and Financial Services was notified of the assessment, unless the Director approved an earlier effective date.
- Allow the Director to issue, if a domestic society had an authorized control level event, an order declaring the society to be a hazardous event and order the society to remedy the event.
- Specify that the order could include authorization to the society to negotiate an agreement to transfer, all members, certificates, and other assets and liabilities of the society to another fraternal benefit society or other insurer.
- Allow the Director to grant to an organization a limited certificate of authority under certain circumstances.
- Prescribe circumstances that would qualify for rehabilitation or liquidation.
- Prohibit a society from assessing payment of shares after the Director filed a petition for liquidation of the society unless the Director determined that the assessment was for the purpose of satisfying certain obligations.
- Require the liquidator of a society to attempt to transfer policies or certificates of the liquidating society to a qualified fraternal benefit society.

MCL 500.8182 et al.

Legislative Analyst: Stephen P. Jackson

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 5-27-22

Fiscal Analyst: Elizabeth Raczkowski