

HOUSE BILL NO. 6301

June 30, 2022, Introduced by Reps. Steenland, Beeler, Harris, 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,"
(MCL 500.100 to 500.8302) by adding section 1325b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1325b. (1) Except as otherwise provided in this section,
2 the ultimate controlling person of an insurer subject to
3 registration under section 1324 shall concurrently file with the
4 registration an annual group capital calculation as directed by the
5 lead state commissioner.

6 (2) The annual group capital calculation must meet all of the

1 following requirements:

2 (a) Be completed in accordance with the group capital
3 calculation instructions, which may permit the lead state
4 commissioner to allow a controlling person that is not the ultimate
5 controlling person to file the group capital calculation.

6 (b) Be filed with the lead state commissioner.

7 (3) The following insurance holding company systems are exempt
8 from filing the annual group capital calculation under subsection
9 (1):

10 (a) An insurance holding company system that meets all of the
11 following requirements:

12 (i) Has only 1 insurer within its holding company structure.

13 (ii) Writes only business.

14 (iii) Is licensed only in its domestic state.

15 (iv) Does not assume business from any other insurer.

16 (b) An insurance holding company system that is required to
17 perform a group capital calculation specified by the Federal
18 Reserve Board, if the lead state commissioner requests the
19 calculation from the Federal Reserve Board under the terms of any
20 information sharing agreement in effect and the Federal Reserve
21 Board shares the calculation with the lead state commissioner.

22 (c) Except as otherwise provided in subsection (4), an
23 insurance holding company system whose non-United States group-wide
24 supervisor is located within a reciprocal jurisdiction, as
25 described in section 1103, that recognizes the United States
26 state's regulatory approach to group supervision and group capital.

27 (d) Except as otherwise provided in subsection (4), an
28 insurance holding company system that meets both of the following
29 requirements:

1 (i) The system provides information to the lead state that
2 meets the requirements for accreditation under the NAIC financial
3 standards and accreditation program, either directly or indirectly,
4 through the group-wide supervisor who has determined that the
5 information is satisfactory to allow the lead state to comply with
6 the NAIC group supervision approach, as detailed in the NAIC
7 Financial Analysis Handbook.

8 (ii) The system's non-United States group-wide supervisor is
9 not in a reciprocal jurisdiction, as described in section 1103, and
10 recognizes and accepts, as specified by the director, the group
11 capital calculation as the world-wide group capital assessment for
12 United States insurance groups that operate in that jurisdiction.

13 (4) The lead state commissioner shall require the group
14 capital calculation for United States operations of any non-United
15 States based insurance holding company system if, after any
16 necessary consultation with other supervisors or officials, it is
17 considered appropriate by the lead state commissioner for
18 prudential oversight and solvency monitoring purposes or for
19 ensuring the competitiveness of the insurance marketplace.

20 (5) The lead state commissioner may exempt the ultimate
21 controlling person from filing the annual group capital calculation
22 or accept a limited group capital filing or report in accordance
23 with criteria specified by the director.

24 (6) If the lead state commissioner determines that an
25 insurance holding company system no longer qualifies as 1 or more
26 of the systems exempted under subsection (3), the insurance holding
27 company system must file the group capital calculation at the next
28 annual filing date unless given an extension by the lead state
29 commissioner based on reasonable grounds shown.

1 (7) As used in this section, "group capital calculation
2 instructions" means the group calculation instructions that are
3 adopted by the NAIC and amended by the NAIC from time to time in
4 accordance with the procedures adopted by the NAIC.

5 Enacting section 1. This amendatory act does not take effect
6 unless all of the following bills of the 101st Legislature are
7 enacted into law:

8 (a) Senate Bill No. ____ or House Bill No. 6297 (request no.
9 05935'22).

10 (b) Senate Bill No. ____ or House Bill No. 6299 (request no.
11 06317'22).

12 (c) Senate Bill No. ____ or House Bill No. 6302 (request no.
13 06319'22).

14 (d) Senate Bill No. ____ or House Bill No. 6303 (request no.
15 06320'22).

16 (e) Senate Bill No. ____ or House Bill No. 6300 (request no.
17 06321'22).

18 (f) Senate Bill No. ____ or House Bill No. 6298 (request no.
19 06322'22).