

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

**500.4621 Reports and inquiries.**

Sec. 4621. (1) A captive insurance company shall not be required to make an annual report except as provided in this chapter.

(2) Annually, on or before March 1 of each year, a captive insurance company shall submit to the commissioner a report of its financial condition, verified by oath of 2 of its executive officers. A captive insurance company may report using generally accepted accounting principles or, with the approval of the commissioner, statutory accounting principles, with useful or necessary modifications or adaptations required or approved or accepted by the commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the commissioner. The commissioner may prescribe the form and manner in which captive insurance companies shall report. Information submitted pursuant to this section is confidential as provided in section 4609.

(3) The commissioner may address inquiries to any captive insurer concerning the insurer's activities or conditions or any other matter connected with the insurer's transactions. An insurer so addressed shall reply in writing to each inquiry from the commissioner within 30 days of receipt of the inquiry.

(4) The commissioner may require interim reporting on any or all of the captive insurer's business, including any matter, condition, or requirement regulated by this chapter. The commissioner shall prescribe the format and content of the interim report.

(5) Each captive insurer that fails to file a report required by this section, or fails to reply within 30 days to an inquiry of the commissioner, is subject to a civil penalty of not less than \$1,000.00 or more than \$5,000.00 per occurrence, and an additional \$50.00 for every day that the captive insurer fails to file the report or reply to the inquiry. In addition, each captive insurer that fails to file a report, or fails to make a satisfactory reply to an inquiry of the commissioner concerning the captive insurer's affairs, is subject to proceedings under section 4637.

(6) A pure captive insurance company may make written application for filing the annual report on a fiscal year end that is consistent with the parent company's fiscal year. The annual report shall be on a form prescribed by the commissioner.

(7) A branch captive insurance company shall file with the commissioner 60 days after the fiscal year end a copy of all reports and statements required to be filed under the laws of the jurisdiction in which the alien captive insurance company is formed, verified by oath by 2 of its executive officers. If the commissioner is satisfied that the annual report filed by the alien captive insurance company in its domiciliary jurisdiction provides adequate information concerning the financial condition of the alien captive insurance company, the commissioner may waive the requirement for completion of the captive annual statement.

(8) A captive insurance company shall annually submit to the commissioner the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the reserves are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this state. The actuarial opinion required by this section shall be submitted in a form prescribed by the commissioner. For purposes of this section, "qualified actuary" means a member of either the American academy of actuaries or the society of actuaries who also meets any other criteria that the commissioner may establish by rule, regulation, or order.

**History:** Add. 2008, Act 29, Imd. Eff. Mar. 13, 2008.

**Popular name:** Act 218