

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

**500.438 Annual statement; filing; extensions; format and content; reply to inquiries; availability of report to public; penalty for failure to file statement or reply to inquiry; statement of alien insurer; "U.S. branch" defined.**

Sec. 438.

(1) An insurer, foreign, alien, U.S. branch, or domestic, transacting business within this state, shall annually, on or before March 1, prepare under oath and deposit with the director a statement concerning its affairs in a form and manner as prescribed by the director. The annual statement must be filed on or before March 1 of the year following that covered by the statement. On request and for good cause shown, the director may grant to a company reasonable extensions of the March 1 filing date for periods not to exceed 30 days.

(2) The director shall prescribe the format and content of statements that are suitable and adaptable to each kind of insurer authorized by this act. The director shall include requests for information on important elements of an insurer's business, including any matter, condition, or requirement regulated by this act. An annual statement filed by an insurer under this section must be prepared in accordance with instructions provided by, and accounting practices and procedures designated by, the director.

(3) The director may address inquiries to an insurer, in relation to the insurer's activities or conditions, or any matter connected with the insurer's transactions. The insurer shall promptly reply in writing to each inquiry described in this subsection.

(4) A report filed with the director under this section must be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(5) An authorized insurer that does not make or deposit the annual statement required by this section, or does not reply within 30 days to an inquiry of the director, is subject to a civil penalty of not less than \$1,000.00 or more than \$5,000.00, and an additional \$50.00 for every day that the insurer does not make and deposit the annual statement or reply to the inquiry. In addition, an insurer that does not make and deposit an annual statement, or does not make a satisfactory reply to an inquiry of the director, concerning the insurer's affairs is subject to proceedings under section 436.

(6) The annual statement of an alien insurer must relate only to the insurer's assets, transactions, and affairs in the United States unless the director requires otherwise.

(7) As used in this section, "U.S. branch" means that term as defined in section 431.

**History:** 1956, Act 218, Eff. Jan. 1, 1957 ;-- Am. 1957, Act 91, Eff. Sept. 27, 1957 ;-- Am. 1959, Act 39, Eff. Mar. 19, 1960 ;-- Am. 1978, Act 506, Imd. Eff. Dec. 13, 1978 ;-- Am. 1986, Act 173, Imd. Eff. July 7, 1986 ;-- Am. 1992, Act 182, Imd. Eff. Oct. 1, 1992 ;-- Am. 1994, Act 227, Imd. Eff. June 27, 1994 ;-- Am. 2016, Act 558, Eff. Apr. 10, 2017

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