

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

***** 500.1301.amended THIS AMENDED SECTION IS EFFECTIVE MARCH 29, 2023 *****

500.1301.amended Insurance holding companies; definitions.

Sec. 1301. As used in this chapter:

(a) "Enterprise risk" means an activity, circumstance, event, or series of events involving 1 or more affiliates of an insurer that, if not remedied promptly, is likely to have a material adverse effect on the financial condition or liquidity of the insurer or its insurance holding company system as a whole, including, but not limited to, anything that would cause the insurer to be hazardous to policyholders, creditors, and the public.

(b) "Group-wide supervisor" means the regulatory official authorized to engage in conducting and coordinating group-wide supervision activities who is determined or acknowledged by the director under section 1359 to have sufficient contacts with the internationally active insurance group.

(c) "Insurer" means that term as defined in section 106 and includes a nonprofit dental care corporation operating under 1963 PA 125, MCL 550.351 to 550.373. Insurer does not include agencies, authorities, or instrumentalities of the United States, its possessions and territories, the commonwealth of Puerto Rico, the District of Columbia or a state or political subdivision of a state, fraternal benefit societies, or nonprofit health care corporations.

(d) "Internationally active insurance group" means an insurance holding company system to which both of the following apply:

(i) The insurance holding company system includes an insurer registered under section 1324.

(ii) The insurance holding company system meets all of the following criteria:

(A) The insurance holding company system has premiums written in at least 3 countries.

(B) The percentage of gross premiums written outside the United States is at least 10% of the insurance holding company system's total gross written premiums.

(C) Based on a 3-year rolling average, the total assets of the insurance holding company system are at least \$50,000,000,000.00 or the total gross written premiums of the insurance holding company system are at least \$10,000,000,000.00.

(e) "Lead state commissioner" means the insurance commissioner of the state in which an insurer member of an insurance holding company system is domiciled and that is determined to be the lead state under the procedures in the Financial Analysis Handbook, as adopted by the director.

(f) "NAIC" means the National Association of Insurance Commissioners.

(g) "NAIC Liquidity Stress Test Framework" means a separate NAIC publication that includes all of the following components:

(i) A history of the NAIC's development of regulatory liquidity stress testing.

(ii) The liquidity stress test instructions and reporting templates and scope criteria for a specified data year, which are adopted by the NAIC and amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

(h) "Person" means that term as defined in section 114, except that it does not include a securities broker that does not perform more than the usual and customary broker's function, so long as the securities broker holds less than 10% of the voting securities of an insurer or of any person that controls an insurer.

(i) "Scope criteria" means, as detailed in the NAIC Liquidity Stress Test Framework, the designated exposure bases and their minimum magnitudes for a specified data year that are used to establish a preliminary list of insurers considered scoped into the NAIC Liquidity Stress Test Framework for that data year.

History: Add. 1970, Act 136, Imd. Eff. July 29, 1970;—Am. 1992, Act 182, Imd. Eff. Oct. 1, 1992;—Am. 2015, Act 244, Imd. Eff. Dec. 22, 2015;—Am. 2020, Act 16, Imd. Eff. Jan. 27, 2020;—Am. 2022, Act 258, Eff. Mar. 29, 2023.

Popular name: Act 218