

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

500.431b U.S. branch using state as state of entry to transact insurance; compliance.

Sec. 431b.

A U.S. branch using this state as a state of entry to transact insurance in the United States is subject to all laws applicable to an insurer domiciled in this state except as otherwise provided. A U.S. branch using this state as a state of entry to transact insurance in the United States shall comply with all of the following requirements:

(a) Provide the commissioner, at intervals and in such form as the commissioner may require, having stated the reason for the requirement, with complete and accurate copies, current to within 10 days, of any of its books, records, and files requested by the commissioner, including all of the following:

- (i) Corporate accounting records.
- (ii) Records of its securities, notes, mortgages, and other evidences of indebtedness, representing investment of funds.
- (iii) Minutes of meetings and resolutions of the board of directors, any committee of the board of directors, and the audit committee.

(iv) Records of current premium billing and collection processing and active claims inventory.

(v) Records of all policies held by policyholders of the U.S. branch, including policy type, amount of reserve, riders, dividend accumulation, unit values, endowment, and policy loan balances.

(b) Upon the commissioner's request, provide the commissioner, for the commissioner's regulatory use, with appropriate waivers for the commissioner concerning rights in the information, including copyright or goodwill, information, manuals, and documentation sufficient for regulatory purposes concerning the computer system and software through which the insurer maintains its books, records, and files for its business in the United States.

(c) Upon the commissioner's request, obtain for the commissioner the right to use, at no additional charge, the computer software employed to maintain the books, records, and files listed in subdivision (a). This right of use shall be irrevocable and unconditional and shall include all revisions and upgrades, notwithstanding the insolvency or reorganization of the insurer.

(d) Arrange for testing to the commissioner's reasonable satisfaction of the processing of copies of the books, records, and files of the insurer listed in subdivision (a). This testing shall be performed annually or more frequently if requested by the commissioner at the office of the commissioner or at a business office of the insurer where such testing may take place at reasonable cost to the insurer.

History: Add. 1994, Act 227, Imd. Eff. June 27, 1994

Popular Name: Act 218