

Legislative Analysis



EMERGENCY INSURANCE LAW

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6185 as introduced
Sponsor: Rep. Mary Whiteford
Committee: Oversight
Complete to 6-15-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 6185 would repeal 1933 PA 66. The act was enacted during the Depression, after a state of financial emergency was declared by the governor and the President of the United States, with the express purpose of preserving the solvency of insurance companies and preventing the impairment of the obligations of the contracts of the insurance companies. The act, which grants the force and effect of law to rules and regulations of the director of the Department of Financial and Insurance Services issued under the act when filed with the secretary of state, becomes effective when the governor declares a state of financial emergency as described in the act and until the governor terminates the declaration. The act's provisions include powers under certain circumstances to prescribe limits or restrictions on disbursements, loans, or investment of funds considered necessary to preserve the rights of policyholders, beneficiaries, and other claimants or creditors. A violation of the act or a regulation under the act is a misdemeanor punishable by up to 90 days in jail or a fine of up to \$500, or both, and also is considered to be a violation of the insurance law. A violation by an insurance company is cause for license revocation.

MCL 550.1 to 550.8

FISCAL IMPACT:

House Bill 6185 would not have an appreciable fiscal impact on the Department of Insurance and Financial Services, given the limited circumstances to which the existing law applies. The bill would not have a fiscal impact on any other units of state or local government.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Marcus Coffin

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