

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

500.1351 Examination of insurer or affiliates; information; experts; expenses.

Sec. 1351.

(1) Subject to the limitation in this section and in addition to the powers that the director has under chapters 2 and 4 relating to the examination of insurers, the director may order an insurer registered under section 1324 to produce records, books, or other information papers in the possession of the insurer or its affiliates as are necessary to determine the insurer's financial condition, including enterprise risk to the insurer by the ultimate controlling party, or by combination of entities within the insurance holding company system, or by the insurance holding company system on a consolidated basis, or legality of conduct. If the insurer fails to comply with the order, the director may examine the affiliates to obtain the information. The director may order an insurer registered under section 1324 to produce information not in the possession of the insurer if the insurer can obtain access to the information under a contractual relationship, statutory obligation, or other method. If the insurer cannot obtain the information requested by the director, the insurer shall provide the director with a detailed explanation of the reason that the insurer cannot obtain the information and the identity of the holder of information. If the director determines the detailed explanation is without merit, the director may require, after notice and hearing, the insurer to pay a civil fine of \$1,000.00 for each day's delay or may suspend or revoke the insurer's license.

(2) The director may retain at the registered insurer's expense attorneys, actuaries, accountants, and other experts not otherwise a part of the director's staff as are reasonably necessary to assist in the conduct of the examination under subsection (1). The expense of the attorneys, actuaries, accountants, and other experts shall be certified by the director and paid as provided in sections 216 and 224. The person retained is under the direction and control of the director and shall act in a purely advisory capacity.

(3) Each registered insurer producing for examination records, books, and papers under subsection (1) is liable for and shall pay the expense of the examination under sections 216 and 224.

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

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