

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

500.4621 Reports and inquiries.

Sec. 4621.

(1) A captive insurance company is not required to make an annual report except as provided in this chapter.

(2) Annually, not later than 60 days after the end of a captive insurance company's fiscal year, the captive insurance company shall submit to the director a report of its financial condition, verified by oath of 2 of its executive officers. A captive insurance company may report using generally accepted accounting principles or, with the approval of the director, international financial reporting standards or statutory accounting principles, with useful or necessary modifications or adaptations required or approved or accepted by the director for the type of insurance and kinds of insurers to be reported on, and as supplemented by additional information required by the director. The director may prescribe the form and manner in which captive insurance companies shall report. Information submitted under this section is confidential as provided in section 4609.

(3) The director may address inquiries to a captive insurer concerning the insurer's activities or conditions or any other matter connected with the insurer's transactions. An insurer addressed under this subsection shall reply in writing to each inquiry from the director within 30 days after receipt of the inquiry.

(4) The director may require interim reporting on any of the captive insurer's business, including any matter, condition, or requirement regulated by this chapter. The director shall prescribe the format and content of the interim report.

(5) A captive insurer that fails to file a report required by this section, or fails to 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 per occurrence, and an additional \$50.00 for every day that the captive insurer fails to file the report or reply to the inquiry. In addition, a captive insurer that fails to file a report, or fails to make a satisfactory reply to an inquiry of the director concerning the captive insurer's affairs, is subject to proceedings under section 4637.

(6) A pure captive insurance company may make written application for filing the annual report on a fiscal year end that is consistent with the parent company's fiscal year. The annual report must be on a form prescribed by the director.

(7) A branch captive insurance company shall file with the director 60 days after the fiscal year end a copy of all reports and statements required to be filed under the laws of the jurisdiction in which the alien captive insurance company is formed, verified by oath by 2 of its executive officers. If the director is satisfied that the annual report filed by the alien captive insurance company in its domiciliary jurisdiction provides adequate information concerning the financial condition of the alien captive insurance company, the director may waive the requirement for completion of the captive annual statement.

(8) A captive insurance company shall annually submit to the director the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the reserves are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this state. The actuarial opinion required by this section must be submitted in a form prescribed by the director. For purposes of this section, "qualified actuary" means a member of either the American Academy of Actuaries or the Society of Actuaries who also meets any other criteria that the director may establish by rule, regulation, or order.

History: Add. 2008, Act 29, Imd. Eff. Mar. 13, 2008 ;-- Am. 2018, Act 397, Eff. Mar. 29, 2019

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