

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

500.4625 Conflict between act and chapter; exemption; applicability of certain sections; expenses and charges of examination; annual renewal fee; other fees; employment of legal counsel; confidentiality.

Sec. 4625.

(1) No provisions of this act, other than those specifically referenced in this chapter, apply to a captive insurance company, and those provisions apply only as modified by this chapter. If a conflict occurs between a provision of this act and a provision of this chapter, this chapter controls.

(2) The commissioner by rule, regulation, or order may exempt special purpose captive insurance companies, on a case-by-case basis, from provisions of this chapter that the commissioner determines to be inappropriate given the nature of the risks to be insured.

(3) Sections 210 to 222, 226 to 238, 244 to 251, and 2057 to 2062, and chapter 45 apply to captive insurance companies.

(4) The expenses and charges of a captive insurance company examination shall be paid to the state by the captive insurance company or companies examined, and the office shall issue warrants for the proper charges incurred in all examinations. The payments received by the state shall be deposited into the captive insurance regulatory and supervision fund.

(5) A captive insurance company shall pay an annual renewal fee by March 1 of each calendar year. The annual renewal fee shall be calculated based upon the annual volume of insurance or reinsurance premiums received by the captive insurance company as follows:

(a) For annual premiums less than \$5,000,000.00, the renewal fee shall be \$5,000.00.

(b) For annual premiums equal to or greater than \$5,000,000.00, but less than \$10,000,000.00, the renewal fee shall be \$10,000.00.

(c) For annual premiums equal to or greater than \$10,000,000.00, but less than \$15,000,000.00, the renewal fee shall be \$15,000.00.

(d) For annual premiums equal to or greater than \$15,000,000.00, but less than \$25,000,000.00, the renewal fee shall be \$25,000.00.

(e) For annual premiums equal to or greater than \$25,000,000.00, but less than \$40,000,000.00, the renewal fee shall be \$40,000.00.

(f) For annual premiums equal to or greater than \$40,000,000.00, but less than \$55,000,000.00, the renewal fee shall be \$50,000.00.

(g) For annual premiums equal to or greater than \$55,000,000.00, but less than \$75,000,000.00, the renewal fee shall be \$75,000.00.

(h) For annual premiums equal to or greater than \$75,000,000.00, the renewal fee shall be \$100,000.00.

(6) The office may charge a \$15.00 fee for any document requiring certification of authenticity or the signature of the commissioner. The payments received shall be deposited into the captive insurance regulatory and supervision fund.

(7) The office may charge a fee of \$25.00 payable to the attorney general for the examination of any amendment to the organizational documents.

(8) Notwithstanding any other provision of law, the commissioner may employ legal counsel as he or she considers necessary to assist in his or her responsibilities under this chapter.

(9) The confidentiality provisions of this chapter do not extend to final examination reports produced by the commissioner in inspecting or examining a captive insurance company formed as a risk retention group under the liability risk retention act of 1986, 15 USC 3901 to 3906.

(10) Section 222 applies to all business written by a captive insurance company except that the examination for a branch captive insurance company shall be of branch business and branch operations only, as long as the branch captive insurance company provides annually to the commissioner, a certificate of compliance, or its equivalent, issued by or filed with the licensing authority of the jurisdiction in which the branch captive insurance company is formed and demonstrates to the commissioner's satisfaction that it is operating in sound financial condition in accordance with all applicable laws and regulations of that jurisdiction.

History: Add. 2008, Act 29, Imd. Eff. Mar. 13, 2008

Popular Name: Act 218