

# Administrative Rule Analysis

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## CREDIT FOR REINSURANCE

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<http://www.house.mi.gov/hfa>

**Rule Set No.: 2018-056 IF**  
**Submitted to JCAR on: 11/9/2018**

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

**Department: Insurance and Financial Services**  
**Agency: Office of General Counsel**  
**Enabling Statute: The Insurance Code of 1956, 1956 PA 218, MCL 500.100 et seq.**

**Analysis Complete to: 12/07/2018**

## BACKGROUND AND SUMMARY OF PROPOSED RULES

Current rules provide for insurer requirements for counting reinsurance as either an asset or reduction from liability. 2018 PA 91 updated the Insurance Code in order to reflect the model law and regulations of the National Association of Insurance Commissioners (NAIC). The proposed rules would modernize reinsurance regulation, make it consistent with the policies of other states, and incorporate the NAIC model.

## FISCAL IMPACT OF PROPOSED RULES

2018-056 IF would not have a significant fiscal impact on the Department of Insurance and Financial Services (DIFS), or on other units of state or local government. DIFS has indicated that any revenues resulting from the annual fee on reinsurers for certification would be negated by the cost of additional staff necessary to process the applications.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.