

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

500.1325c Liquidity stress test framework; results; filing; compliance with NAIC.

Sec. 1325c.

(1) Except as otherwise provided in this section, the ultimate controlling person of every insurer that is subject to registration under section 1324 and that is scoped into the NAIC liquidity stress test framework for the specified data year shall file with the lead state commissioner the results of that year's liquidity stress test.

(2) A change to the NAIC liquidity stress test framework or to the data year for which the scope criteria are to be measured must be effective on January 1 of the year following the calendar year when the change is adopted by NAIC.

(3) An insurer that meets at least 1 threshold of the scope criteria is considered scoped into the NAIC liquidity stress test framework for the specified data year, unless the lead state commissioner, in consultation with the NAIC financial stability task force or its successor, determines that the insurer should not be scoped into the framework for the specified data year.

(4) An insurer that does not meet at least 1 threshold of the scope criteria is considered scoped out of the NAIC liquidity stress test framework for the specified data year, unless the lead state commissioner, in consultation with the NAIC financial stability task force or its successor, determines the insurer should be scoped into the NAIC liquidity stress test framework for the specified data year.

(5) As part of a determination made under subsection (3) or (4), the lead state commissioner, in consultation with the NAIC financial stability task force or its successor, shall consider that regulators wish to avoid having insurers scoped in and out of the NAIC liquidity stress test framework on a frequent basis.

(6) The performance of, and filing of the results from, a specified year's liquidity stress test must comply with the NAIC liquidity stress test framework's instructions and reporting templates for that year and any lead state commissioner determination, in conjunction with the NAIC financial stability task force or its successor, provided within the NAIC liquidity stress test framework.

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