

LINE OF BUSINESS: Fidelity
Surety
Code: 23.0000
24.0000

LINE(S) OF INSURANCE
Fidelity
Surety
CODES
23.0000
24.0000

**IF CHECKLIST IS NOT APPLICABLE,
 PLEASE EXPLAIN:** _____

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
GENERAL REQUIREMENTS FOR ALL FILINGS			
EXEMPTION	MCLA 500.2401(2)(d)	<p>When you place the prominent warning statement of MCLA 500.2236(8)(e)(ii) in each of your policies, you should not submit a filing to us as you are exempt from the requirements of Chapters 22 and 24 of the Michigan Insurance Code unless the Commissioner subsequently finds that competition does not exist for this type of coverage.</p> <p>The prominent warning statement will apply to the entire commercial package policy because it cannot be applied to just one type of coverage when multi-coverages are written.</p>	
COPIES, RETURN ENVELOPES, ETC.	Procedures Manual for Non-SERFF Filings	All filings must include a copy of the cover letter along with a self-addressed stamped envelope.	
COVER LETTER AND EXPLANATORY MEMORANDUM	Procedures Manual for Non-SERFF Filings	All filings must include a cover letter and all filings except for new program filings must contain a filing memorandum that identifies and explains changes to previously filed policy forms, endorsements, rules, and rates by form number, rule number, and manual page number.	

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
EFFECTIVE DATE WORDING	MCLA 500.2408(2)	The filing shall be on file for a waiting period of 15 days before it becomes effective, which period may be extended by the commissioner for 1 additional period not to exceed 15 days if the commissioner gives written notice within the waiting period to the insurer or rating organization which made the filing that her or she needs additional time for consideration of the filing.	
	MCLA 500.2236	Failure of the commissioner to act within 30 days after submittal constitutes approval.	
FILING SUBMISSION	MCLA 500.2406	Every insurer shall file with the commissioner every manual of classification, every manual of rules and rates, every rating plan, and every modification of any of the foregoing that it proposes to use.	
	MCLA 500.2401(d)	An insurer shall not file rates and rules for any commercial insurance coverage if the policy form contains a prominent disclaimer which states, "This policy is exempt from the filing requirements of section 2236 of the insurance code of 1956, 1956 PA 218, MCL 500.2236." or words that are substantially similar.	
LIMITATIONS/RESTRICTIONS ON TRANACTING BUSINESS	MCLA 500.640	An insurer transacting business in this state shall not expose itself to any loss on any 1 risk or hazard in an amount exceeding 10% of its paid-up capital and surplus. However, no portion of a risk or hazard that has been reinsured in an insurer licensed to do insurance business in this state shall be included in determining the limitation of risk prescribed in this section.	
Line of Authority	MCLA 500.402	No person shall act as an insurer and no insurer shall issue any policy or otherwise transact insurance in this state except as authorized by a subsisting certificate of authority granted to it by the commissioner pursuant to this code.	

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
NO FILE OR FILING EXEMPTIONS	Bulletin 97-03 MCLA 500.2236	Only rating organizations should file forms. Insurers must maintain a list of exempt forms.	
THIRD PARTY FILERS AUTHORITY	MCLA 500.2406(2)	An insurer may satisfy its obligation to make filings under subsection (1) by becoming a member of, or a subscriber to, a rating organization licensed under chapter 24 or chapter 26 which makes those filings, and by filing with the commissioner a copy of its authorization of the rating organization to make those filings on its behalf.	
	Procedures Manual for Non-SERFF Filings	General authority to third party must be granted with a letter from insurance company.	
GENERAL REQUIREMENTS FOR ALL FILINGS			
FORMS—POLICY PROVISIONS			
AMBIGUOUS & MISLEADING	MCLA 500.2236(5)	Upon written notice to the insurer, the commissioner may disapprove, withdraw approval or prohibit the issuance, advertising or delivery of any form to any person in this state if it violates any provisions of this act, or contains inconsistent, ambiguous or misleading clauses, or contains exceptions and conditions that unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the policy.	
		An unfair method of competition and an unfair or deceptive act or practice in the business of insurance means the making, issuing, circulating an estimate, illustration, circular, statement, sales presentation, or comparison which by omission of a material fact or incorrect statement of a material fact causes a misrepresentation.	
FORMS—POLICY PROVISIONS			

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DISCRIMINATION	MCLA 500.2027	It is unfair and deceptive to refuse to insure, or refuse to continue to insure, or limit the amount of coverage available to an individual or risk because of race, color, creed, marital status, sex, or national origin, residence, age, disability, or lawful occupation of the individual, or location of the risk, unless there is a reasonable relationship established between the classification and the extent of the risk.	
FORMS—POLICY PROVISIONS			
Payment of Loss Time Period	MCLA 500.2006(3)	Any part of the remainder of the claim that is later supported by proof of loss shall be considered paid on a timely basis if paid within 60 days after receipt of the proof of loss by the insurer.	
FORMS—POLICY PROVISIONS			
READABILITY	MCLA 500.2236(3)	Not less than 8 point type.	
RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS			
Individual Risk Rating	Procedures Manual for Non-SERFF Filings	Mandatory for excess rates for specific policyholders (rates that are different from those you wish to remain on file for underwriting all other policyholders).	
RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS			
PRICING	MCLA 500.2403(d)	Rates shall not be excessive, inadequate, or unfairly discriminatory.	
RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS			
Schedule Rating	Bulletin 2000-04	+/- 25% maximum for schedule rating type plans	

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Competition	MCLA 500.2403	A rate shall not be held to be excessive unless the rate is unreasonably high for the insurance coverage provided and a reasonable degree of competition does not exist with respect to the classification, kind, or type of risks to which the rate is applicable.	
Judgment	Commissioner Order No. 81-3055-M Procedures Manual for Non-SERFF Filings	This insurance is subject to judgment rating. After an (a) – rate rule is approved, filing requirements for this coverage are suspended, however each rate must remain on file for a period of not less than 3 years from its expiration date. All (a) - rates shall be available for review when requested by OFIS.	
SUPPORTING DATA	Bulletin 94-5 MCLA 500.2403(d)	Support is not required to be submitted with the filing. However, we may subsequently ask you to provide justification for your rates. A rate is reasonably justified by differences in losses, expenses, or both, or by differences in the uncertainty of loss for the individuals or risks to which the rates apply. A reasonable justification shall be supported by a reasonable classification system; by sound actuarial principles when applicable; and by actual and credible loss and expense statistics	
OTHER	MCLA 500.2416(2)	If within 30 days after a special surety or guaranty filing subject to subsection (3) of section 2408 has become effective, the commissioner finds that such filing does not meet the requirements of this chapter, he shall send to the insurer or rating organization which made such filing written notice of disapproval of such filing specifying therein in what respects he finds that such filing fails to meet the requirements of this chapter and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Said disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in said notice.	

