

## OFFICE OF FINANCIAL EVALUATION (OFE)

A banner for the Bank and Trust Division. On the left, there is a close-up image of a red banknote with a white dollar sign. The rest of the banner is a solid dark red color with the text "Bank and Trust Division" in white serif font.

### Bank and Trust Division

#### **MISSION**

The Bank and Trust Division is responsible for safety and soundness supervision of Michigan's state-chartered banks, savings banks, and Business and Industrial Development Companies (BIDCOs). The division ensures that these organizations are operating safely and soundly, that public confidence in the financial system is maintained, and that the interests of depositors, creditors and shareholders are protected. The division does this by conducting examinations of these financial organizations' books, records, policies, and procedures; by monitoring the quarterly financial reports that banks and savings banks file with the Federal Deposit Insurance Corporation; by providing input to agency analysts regarding financial institutions' applications; and by making staff available to address seminars for financial institution executives and others.

The division also is responsible for monitoring the effectiveness of the laws that govern regulated institutions. These are:

- The Banking Code of 1999;
- The Savings Bank Act of 1996; and
- The Michigan BIDCO Act.

Based on their observations and experience, division staff make recommendations to agency administrators for changes in these laws to eliminate unnecessary regulatory burden, improve service to the public, or improve the supervisory tools available to regulate financial institutions. Staff answer questions from institutions, consumers, and others about these laws, such as whether a particular business activity is permitted or what limits are placed on conduct of an activity.

Of the division's 30 staff members at year-end, 26 are examiners who conduct their primary business of monitoring the condition of state-chartered banks, savings banks and BIDCOs. Divided among four geographic regions, they are in full-time travel status and work on-site in regulated institutions. Each examiner has primary responsibility for a portfolio of institutions, serving as a central point of contact for bankers with questions or regulatory issues, and also participates in examinations of other institutions. Examiners from each region also serve on the Examiner Technology Group, a resource for assessing and making recommendations regarding software, equipment and other examination tools, for working with the Conference of State Bank Supervisors and federal regulators on electronic examination software, for producing and updating electronic compilations of relevant laws and regulations, and for trouble-shooting technical problems in the field.

As of December 31, 2002, there were 134 FDIC-insured state-chartered banks (one fewer than year-end 2001); five not-FDIC-insured state-chartered banks (up one from year-end 2001); five state-chartered savings banks (up one from year-end 2001); and seven BIDCOs (up one from year-end 2001). Twenty nine of the banks and three of the savings banks were approved to exercise trust powers. See OFIS' monthly reports on corporate activity for more information on new charters, mergers and consolidations:

[http://www.michigan.gov/cis/0,1607,7-154-10555\\_13222\\_13236-34229--,00.html](http://www.michigan.gov/cis/0,1607,7-154-10555_13222_13236-34229--,00.html). A

searchable database of Michigan's banks and trusts is at:

[http://www.michigan.gov/cis/0,1607,7-154-10555\\_13251\\_13253---,00.html](http://www.michigan.gov/cis/0,1607,7-154-10555_13251_13253---,00.html).

## **FINANCIAL TRENDS**

As of year-end 2002, Michigan's state-chartered commercial banks posted total consolidated assets of \$102.34 billion, a 12.36% decrease from the year-end 2001 total. State-chartered savings banks held total consolidated assets of \$1.90 billion, a 15% increase over 2001. Trust assets of state-chartered trust banks and trust departments at year-end, 2002 were down 1.55% from 2001. Removing from the 2001 figure the trust assets in the state system that were transferred in 2002 to a national trust bank and those that accompanied two mergers into national banks, the 2002 year-end total trust assets of \$107.1 billion amounts to a 3% increase over prior year for the 32 remaining state-chartered trust banks and trust departments in Michigan.

Asset quality at financial institutions around the United States, like the economy in general, has been slow to recover from the 2001 recession. Total past due loans and leases for Michigan's state-chartered commercial and savings banks amounted to \$856 million (1.12% of total loans and leases at December 31, 2002), down 42.1% from the December 31, 2001 level. These institutions' net loan losses for 2002 amounted to 0.69% of total loans and leases, up slightly from a year earlier, but lower than the 0.97% posted for banks nationwide.

As of year-end 2002, net consolidated income for FDIC-insured state-chartered commercial banks in Michigan amounted to \$1.17 billion, down 5.65% from the 2001 total. This produced an aggregate return on average assets of 1.19%, up from 1.07% for 2001. Michigan's state-chartered savings banks reported an aggregate net income of \$20.6 million for 2002, up 33.3% from the previous year, producing an aggregate return on average assets of 1.13%, up from 0.94% in 2001.

Michigan's commercial banks and savings banks continue to benefit from prudent management. At year-end 2002, due to mergers of some large institutions out of the state system, aggregate equity capital in Michigan's FDIC-insured state-chartered commercial banks fell 11.35% from the 2001 level to \$9.3 billion. More relevant, perhaps, is that Michigan's state-chartered commercial banks' average equity capital-to-assets ratio was 9.09%, up from 8.98% at year-end 2001. Aggregate equity capital for state-chartered savings banks was \$199.3 million at December 31, 2002 (up 14.5% over the prior year), and their average equity capital-to-assets ratio at year-end 2002 was 10.48%, down slightly from 2001's 10.54%.

As of December 31, 2002, BIDCOs posted 28 total provisions of financing assistance outstanding, representing approximately \$8.8 million. This reflects a 44% decrease in the total number of provisions, and a 50.5% decrease in volume of outstanding financing assistance from year-end 2001 totals. The estimate of jobs created or retained as a result of 2002 BIDCO financings represented a greater than tenfold increase over 2001. Consolidated balance sheets for Michigan commercial and savings banks, as well as BIDCO statistics, can be found in Appendix B of this report.

## **MILESTONES**

- During 2002, the division maintained its commitment to providing professional training for its experienced staff to enable them to stay current on financial issues and examination techniques and technology. Division staff taught the fine points of bank examination at national schools for state bank examiners sponsored by the Conference of State Bank Supervisors (CSBS), and they serve on CSBS' school curriculum and accreditation committees.
- OFIS issued several determinations on bank powers under the Banking Code of 1999 during 2002. In March, the division opined on bank authority to purchase bank-owned life insurance and the limits on such purchases. In February, OFIS opined on the authority of a bank subsidiary to receive the interest income on consumer credit and it issued a no objection letter to a financial conglomerate regarding the use of the word "bank" in marketing its investment banking products. (These letters may be viewed at [http://www.michigan.gov/cis/0,1607,7-154-10555\\_12900\\_13351---,00.html](http://www.michigan.gov/cis/0,1607,7-154-10555_12900_13351---,00.html).) In May, the commissioner issued a declaratory ruling authorizing investment by state-chartered banks in trust preferred securities and establishing conditions. (See Ruling No. 02-017-BT at [http://www.michigan.gov/documents/cis\\_ofis\\_02\\_017\\_bt\\_26797\\_7.pdf](http://www.michigan.gov/documents/cis_ofis_02_017_bt_26797_7.pdf))
- In 2002, Michigan experienced its first failure of a state-chartered bank since 1998. The commissioner placed New Century Bank in receivership on March 28, 2002. At the time of closure, the bank was determined to be operating in an unsafe and unsound condition with inadequate capital and weak management. OFIS' press release on the closure and the order appointing FDIC as receiver can be viewed at: [http://www.michigan.gov/cis/0,1607,7-154-10555\\_13222\\_13250-39396--M\\_2002\\_3,00.html](http://www.michigan.gov/cis/0,1607,7-154-10555_13222_13250-39396--M_2002_3,00.html). Information on the closed bank can be viewed on the FDIC web site at: <http://www.fdic.gov/bank/individual/failed/NewCentury.html>.
- While there was only one application for a new bank in 2002, down from four the previous year, three new state-chartered banks opened their doors in 2002--Plante Moran Trust in Southfield; Gogebic Range Bank in Bessemer; and Summit Community Bank, East Lansing. In addition, a new trust bank (immediately converted to a national trust bank charter) and a new BIDCO were formed in 2002. The first Michigan conversion of a state credit union to state mutual savings bank charter was effective on January 1, 2002.
- OFIS lost two state bank charters to mergers with out-of-state banks in 2002. Bank One - Michigan merged with its Chicago affiliate in June, and Charter Bank merged with

Ohio's Charter National Bank in August. These mergers pointed out how heavily dependent on a few very large banks program funding has become. While the division will not seek increased revenue in the coming year, they are planning changes in regulatory fees that will help the programs be self-supporting and will reduce overall program vulnerability in the event of a charter change by one of the large Michigan banks. These involve changing the basis for trust examination fees from examination hours to trust assets under management and phasing in a reallocation of supervisory fee assessments to reduce dependence on the largest institutions.

#### **ACTIVITY SUMMARY**

The Michigan Banking Code of 1999 and the Michigan Savings Bank Act require that each state-chartered bank and savings bank be examined not less frequently than every 18 months. In fulfilling this requirement, OFIS may use an examination made pursuant to the Federal Reserve Act or the Federal Deposit Insurance Act. The statute's examination requirements were met during 2002, with Bank and Trust Division staff conducting or participating in 69 bank examinations. The division also conducted 11 trust examinations and six BIDCO examinations, and made 70 on-site visitations during the year. As of December 31, 2002, there were 11 banks on the division's "problem bank" list, up from six at December 31, 2001; no savings banks or BIDCOs appeared on the "problem" list.

The 134 FDIC-insured state-chartered commercial banks in Michigan as of December 31, 2002, represent 84% of the 160 commercial banks in Michigan and control 66.8% of total bank assets in the state. The five state-chartered savings banks represent 25% of the 20 savings banks in Michigan and control 14.3% of total savings bank assets in the state. OFIS staff work hard to provide prompt, accurate, fair service and a forward-looking regulatory philosophy to make the Michigan financial institution charter the charter of choice for Michigan's depository institutions.



## Credit Union Division

### **MISSION**

The Credit Union Division regulates and supervises state-chartered credit unions under the authority of the following statutes:

- Michigan Credit Union Act (1925 PA 285).
- Credit Union Multiple-Party Account Act (1968 PA 41).
- Beneficiary Accounts Act Credit Union Regulation (1992 PA 31)
- Electronic Funds Transfer Act (1978 PA 322)

The division ensures Michigan's state-chartered credit unions are operating safely and soundly, that public confidence in the system is maintained, and that the interests of depositors, creditors, and shareholders are protected.

The Michigan Credit Union Act requires all Michigan credit unions to be federally insured. The division works cooperatively with the National Credit Union Administration (NCUA), which administers the National Credit Union Share Insurance Fund (NCUSIF). NCUA places substantial reliance on the division's examination and supervision activities in managing NCUSIF risk. NCUA and division management meet quarterly to discuss emerging issues, institutions requiring more than normal supervision, and other matters of mutual interest.

The Credit Union Division staff includes 36 full time employees, comprised of 28 field examiners, three regional supervisors, two administrative support employees, a review examiner, assistant director, and deputy commissioner.

The division provides extensive staff training and professional development opportunities. During 2002, staff members attended training sponsored by NCUA, the National Association of State Credit Union Supervisors (NASCUS), and other professional organizations. These training opportunities provide up-to-date information on current and emerging financial institution regulatory issues and allow exchange of ideas and experiences with examiners from across the country.

### **MILESTONES**

- Although several experienced field examiners and one supervisor left due to early retirements and promotions, the division successfully completed the statutory requirement of performing an annual on-site examination of each state-chartered credit union during 2002.

- In addition to the annual examinations, on-site follow-up examinations were performed on 94% of the problematic credit unions in FY02. Of the remaining six percent (three credit unions) without follow-up examinations, monitoring was performed through monthly reporting established with the entities. The time between examinations was also shortened to 10 months from 12 months for these credit unions.
- A database system was established to track institution name changes and mergers.
- Ten credit union letters were issued in FY 02 that discussed industry and regulatory issues. This is an increase that is expected to help improve communications. Previously, the greatest number issued was three credit union letters and bulletins, according to tracking done since 1979. These letters can be accessed on the internet at the following web site address: [http://www.michigan.gov/cis/0,1607,7-154-10555\\_12900\\_13354---.00.html](http://www.michigan.gov/cis/0,1607,7-154-10555_12900_13354---.00.html)

## ACTIVITY SUMMARY

### Examination and Supervision

The Michigan Credit Union Act requires the Division to examine each of Michigan's state-chartered credit unions annually. During 2002, the division met this statutory mandate, examining all 281 credit unions (including Central Corporate Credit Union). Division staff performed 273 independent examinations, and eight examinations were conducted jointly with NCUA. Division examiners also conducted 63 follow-up visitations at credit unions requiring additional supervision, 24 of which were performed jointly with NCUA.

The division uses a "risk-based" examination process, focusing on material areas of risk unique to each credit union. Credit unions are monitored between examinations using financial reports and other information filed by each institution.

### Industry Trends

The number of Michigan state-chartered credit unions declined from 286 to 279 during 2002, with 7 credit unions merging into other state-chartered credit unions, and one credit union acquired by another credit union through purchase and assumption. While generally market driven, mergers also occur when a credit union's management is unwilling or unable to operate their credit union in a safe and sound manner. Larger, well-run credit unions can absorb troubled institutions with minimal negative impact, and usually provide a higher level of financial services for the members of the merged credit union.

Overall, Michigan's state-chartered credit unions remained in sound financial and operational condition during 2002. Total assets grew a healthy 9.1%. Loans grew a reasonable 4.6%, and liquidity increased as the aggregate Loan to Savings ratio dropped from 71.6% to 68.70% during the year. The aggregate Return on Average Assets ratio declined as well, but remained fairly strong at .80%, enabling credit unions to maintain a strong aggregate Net Worth ratio of 11.28%. For a searchable database of Michigan's credit unions: [http://www.cis.state.mi.us/fis/ind\\_srch/crdt\\_un/credit\\_union\\_criteria.asp](http://www.cis.state.mi.us/fis/ind_srch/crdt_un/credit_union_criteria.asp)

### Growing Pains

The number of credit unions in the United States (state and federal) has fallen to 10,039 as of year-end 2002 (9,995 at Jan. 31, 2003), which is the smallest number of credit unions since 1948. Since 1948, however, the number of credit union members has increased from four million to 83 million and assets have increased from \$700 million to more than \$574 billion. In Michigan, we have 278 state credit unions including CenCorp, which is less than half the 559 state credit unions we had in 1981. Michigan hasn't chartered a new credit union since 1986 although two credit unions converted from federal charters in the late 1990's.

### Industry Associations

The division continued to work cooperatively with credit union trade associations and professional organizations. Division staff attended several industry-related functions during 2002, and senior staff members were featured speakers on various topics for meetings of the Michigan Association of Credit Unions, the Michigan Credit Union League, and the Michigan Association of Certified Public Accountants.

The division also remains highly involved with NASCUS, the nationwide professional organization for state credit union regulators. NASCUS promotes the dual chartering system and autonomy of state regulatory agencies. The Credit Union division deputy commissioner serves as NASCUS Vice-Chairman, and is active in policy formation and other issues at the national level.

Credit union statistics can be found in Appendix C of this report.



## Enterprise Monitoring and Insurance Examination Division

### MISSION

The Enterprise Monitoring and Insurance Examination Division is comprised of three sections: 1) Charter Review, 2) Enterprise Review, and 3) Insurance Examination.

#### Charter Review Section

The Charter Review Section is responsible for the following functions: processing applications for new state-chartered financial institutions (including banks, savings banks, credit unions, business and industrial development companies, and insurance companies); approving interstate and intrastate bank branching activities; approving mergers, acquisitions, and corporate reorganizations; and administering capital augmentation efforts of state-chartered institutions. The division ensures that corporate applications are consistent with sound business practices, applicable laws and regulations, and OFIS policies and procedures. The section also maintains the historical corporate files for banks, savings banks, and domestic insurance companies.

The following Michigan statutes govern these activities:

- Banking Code of 1999 (1999 PA 276, as amended)
- Savings Bank Act (1996 PA 354, as amended)
- Credit Union Act (1925 PA 285, as amended)
- Business and Industrial Development Company (BIDCO) Act (1986 PA 89, as amended)
- Insurance Code of 1956 (1956 PA 218, as amended)

The text of these statutes may be found on the Michigan Legislature web site at [www.MichiganLegislature.org](http://www.MichiganLegislature.org).

#### Enterprise Review Section

The Enterprise Review Section was created in recognition of the dramatic changes occurring in the financial services industry. The Gramm-Leach-Bliley Act, passed in 1999, eliminated legal barriers to affiliations among banks, insurance companies, and securities firms. New financial service organizations, offering a wide range of financial products to consumers, are now permitted.

The Enterprise Review Section is responsible for the oversight and monitoring of these complex and diversified enterprise organizations operating in Michigan. An “enterprise” organization is defined as a large and/or complex financial services organization, with diversified business operations that cross traditional industry lines. The principal OFIS-regulated entity within the organization must also have a significant presence in the state of Michigan, and will likely have a national or international presence as well.

The section currently conducts the review and analysis of selected enterprise insurance companies and is expected to add other insurance companies, banks, and possibly securities firms to the program in the future.

#### Insurance Examination Section

The Insurance Examination Section is responsible for conducting on-site examinations of the books and records of approximately 170 entities domiciled in Michigan. These entities include property and casualty insurance companies, life and health insurance companies, farm mutuals, government self-insurance pools, health maintenance organizations, and alternative finance and delivery systems for limited health care benefits. Examinations are conducted on a regular basis, as required by statute, and in accordance with guidelines and standards set forth by the National Association of Insurance Commissioners (NAIC). At the conclusion of each examination, a Report of Examination is issued which presents division findings concerning the entity's financial condition, management, and operations.

#### **MILESTONES**

- A new Interagency Charter and Federal Deposit Insurance Application form was formally adopted and implemented in 2002. This form streamlines the application process for new banks and savings banks, by allowing the applicant to file the same application with all relevant state and federal regulatory agencies.
- The Uniform Certificate of Authority Application (UCAA) for Corporate Amendments was also adopted during the year. This application facilitates the corporate transactions of foreign insurance companies doing business in Michigan, by streamlining the application process for mergers, redomestications, authority changes, and name changes.
- Despite the slower economy, four new banks opened in 2002.
- Fifteen credit union community charters were approved during the year, a significant increase from prior years.
- Four new health maintenance organizations were licensed in 2002.
- Mailings of the Corporate Monthly Activity Report and quarterly Insurance Surplus Lines Listing were replaced with electronic versions posted on the OFIS web site.
- The Division's Examination Section completed 43 examinations in 2002, including four first-time exams of health maintenance organizations.
- The Examination Section continued to expand its use of technology during the year. The use of electronic examination workpapers continued to be refined and perfected; various web sites were successfully used to upload or obtain examination

information; and electronic software was utilized to assist in the testing of losses, premiums, and investments.

## **ACTIVITY SUMMARY**

There were 139 Michigan state-chartered banks as of December 31, 2002, unchanged from year-end 2001. During the year, four new banks were chartered, two were consolidated with and into other federally-chartered banks, one converted to a national bank, and one was placed in receivership.

One state-chartered credit union converted to a savings bank during the year, increasing the number of state-chartered savings banks from four at December 31, 2001 to five at December 31, 2002.

One BIDCO license was issued during the year, increasing the total number of licensees from six at December 31, 2001 to seven at December 31, 2002.

State-chartered credit unions numbered 279 at December 31, 2002, as compared to 286 at the previous year-end. During the year, four credit unions merged into other state-chartered credit unions, one merged into a federally-chartered credit union, one converted to a state-chartered savings bank, and one credit union charter was revoked.

The number of de novo bank applications filed during the year was down from 2001, as was bank consolidation activity. There was minimal activity in the savings bank and BIDCO programs. In the credit union area, merger and conversion activity remained steady, and the number of credit unions applying for community charters increased.

A summary of insurance company activity can be found in Appendix D of this report.

Extensive information relating to the division's corporate activities can also be found on the OFIS web site:

- Application forms, instructions, and fee schedules for the bank, BIDCO, credit union, and insurance company programs:  
[www.michigan.gov/cis/0,1607,7-154-10555\\_13044---,00.html](http://www.michigan.gov/cis/0,1607,7-154-10555_13044---,00.html)
- Corporate Monthly Activity Report:  
[www.michigan.gov/cis/0,1607,7-154-10555\\_13222\\_13236---,00.html](http://www.michigan.gov/cis/0,1607,7-154-10555_13222_13236---,00.html)
- De Novo Bank Report:  
[www.michigan.gov/documents/cis\\_ofis\\_dnvobnk\\_25600\\_7.pdf](http://www.michigan.gov/documents/cis_ofis_dnvobnk_25600_7.pdf)
- 'Who We Regulate' Listings for banks, savings banks, BIDCOs, and insurance companies: [www.michigan.gov/cis/0,1607,7-154-10555\\_13251---,00.html](http://www.michigan.gov/cis/0,1607,7-154-10555_13251---,00.html)



## Supervisory Affairs and Insurance Monitoring Division

### **MISSION**

The Supervisory Affairs and Insurance Monitoring Division has three units: 1) Corrective Action, 2) Receivership, and 3) Insurance Monitoring that are responsible for regulating the financial solvency of insurance entities.

#### Corrective Action Section

The Corrective Action Section is primarily responsible for closely analyzing and working with domestic insurance entities that have been identified as being at risk for financial difficulties. The unit's primary objective is to analyze insurance entities to determine whether they remain financially safe, reliable, and entitled to public confidence. To achieve its primary objective, the unit performs in-depth analysis and evaluation of entities' financial statements (annual, quarterly, and when necessary, monthly) and additional reports and filings as required by the Corrective Action Section. The Section may take appropriate action against these entities to protect Michigan policyholders. Such actions may include development of corrective action plans, requirements for capital infusions, restrictions on business written, special deposits, and orders of supervision. When appropriate and if possible, the division prefers to work with the entities under corrective action plans and voluntary restrictions developed and agreed to by the entity and Corrective Action Section.

In addition, the Corrective Action Section is responsible for monitoring the financial condition of the domestic multiple employer welfare associations. The section is also responsible for monitoring most of the foreign insurers, those insurers domiciled in states other than Michigan, that are conducting business in this state. This monitoring is done primarily through reviewing relevant financial ratios and some review of the financial statements. The section also reviews and approves, as appropriate, requests by these foreign insurers for authority to write additional lines of business in Michigan.

#### Receivership Section

When an entity is determined to be no longer safe, reliable and entitled to public confidence, the Receivership Section takes more severe actions such as seizure, rehabilitation or liquidation. The commissioner, as the statutory receiver to rehabilitate or liquidate as ordered by the circuit court, administers insurance entities, health maintenance organizations (HMO) and other similar entities that become insolvent while doing business in Michigan. The commissioner is empowered to appoint a deputy receiver to act as the commissioner's agent and to employ counsel as may be necessary to administer the estate. The section performs the following functions in accordance with statutory authority: marshaling of assets of insolvent insurers, evaluation of claims filed by all interested parties, and investment and conservation of all assets to ensure maximum distribution to all policyholders, claimants and creditors of the insolvent insurer.

### Insurance Monitoring Section

The Insurance Monitoring Section is responsible for evaluating the financial condition of primarily insurance companies and other similar entities that are domiciled in Michigan that have a stronger financial condition. These entities include the following types of entities: property and casualty insurance companies, life and health insurance companies, farm mutuals, government self-insurance pools, health maintenance organizations, nonprofit health care organizations, dental service corporations, legislatively created entities, and alternative financing and delivery system for limited health care benefits. The section is also responsible for monitoring the financial condition of some foreign insurers when they are affiliated with a domestic insurer, although the monitoring performed is limited on these insurers. The section is also responsible for reviewing and approving transactions involving affiliated companies. The evaluation of the financial condition is done primarily through analyzing and evaluating the companies' annual and quarterly financial statements. The analyses determine whether companies are financially safe, reliable and entitled to public confidence. This section identifies when entities are showing possible negative trends or key ratios that may indicate problems. The section will then refer these entities over to the Corrective Action Section for further monitoring.

In addition to evaluating the financial soundness of domestic insurers, the section is also responsible for reviewing and making recommendations on new applications for licensure, applications for requalification of licensure following a change in control of an insurer, and acquisitions, redomestications, and corporate reorganizations of domestic insurers.

### **MILESTONES**

- Enhanced the use of electronic media in OFIS by requiring most foreign insurers to only file their financial statements electronically with OFIS starting with the 2002 annual statement.
- In 2002, Michigan was able to eliminate all its state specific forms that were required to be filed by foreign companies applying for a certificate of authority to do business in Michigan.
- The Receivership Section made significant progress in the First Security Casualty estate. In 1997, the First Security Casualty estate filed a complaint against the former officers and directors of First Security Casualty and a number of affiliated companies. During 2002, a jury trial was held in Ingham County related to this matter. As a result, First Security Casualty estate received settlements in the amount of \$921,000. One First Security Casualty defendant did not settle in this matter and the Ingham County jury returned a verdict against that defendant in favor of the commissioner as Liquidator of First Security Casualty in the amount of \$1,273,000 plus interest.

### **ACTIVITY SUMMARY**

The following is a report concerning the status of each domestic insurer in receivership for the period January 1 through December 31, 2002:

- American Commercial Liability Insurance Company, a Michigan property and casualty insurer, was placed in rehabilitation by the Ingham County Circuit Court on February 21, 1992, and in liquidation on March 2, 1992.
- American Way Casualty Company, a Michigan property and casualty insurer, was placed in rehabilitation by the Ingham County Circuit Court on April 16, 1993.
- American Way Life Insurance Company, a Michigan life insurer, was placed in rehabilitation by the Ingham County Circuit Court on April 16, 1993.
- Cadillac Insurance Company, a Michigan property and casualty insurer, was placed in conservatorship by the Ingham County Circuit Court on July 7, 1989, and in liquidation on January 2, 1990.
- Confederation Life Insurance Company, a Canadian life insurer, with Michigan as its port of entry, was placed in rehabilitation by the Ingham County Circuit Court on August 12, 1994, and subsequently, a liquidation order was entered retroactive to August 12, 1994.
- First Security Casualty Company, a Michigan property and casualty insurer, was placed into liquidation on April 28, 1997.
- Great Lakes American Life Insurance Company, a Michigan life insurer, was placed in permanent receivership on November 16, 1990.
- Lincoln Mutual Casualty Company, a Michigan property and casualty insurer, was placed into liquidation on August 29, 1997.
- Mid-America Life Assurance Company, a Michigan life insurer, was placed in permanent receivership on November 16, 1990.
- Omnicare Health Plan, a Michigan health maintenance organization, was placed in rehabilitation by the Ingham County Circuit Court on July 31, 2001.

Additional receivership statistics can be found in Appendix E of this report.

For a searchable database of Michigan insurance company information:

[http://www.cis.state.mi.us/fis/ind\\_srch/ins\\_comp/insurance\\_company\\_criteria.asp](http://www.cis.state.mi.us/fis/ind_srch/ins_comp/insurance_company_criteria.asp)

Insurance company activity statistics can be found in Appendix D of this report.