

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Bulletin 2014-04-INS

In the matter of

Applications for Certificates of Authority or
Surplus Lines Eligibility

Issued and entered
this 20th day of February 2014
By Annette E. Flood
Director

This bulletin supersedes Bulletin 00-01, issued March 3, 2000.

Applications for Certificates of Authority or Surplus Lines Eligibility

Applications for Certificates of Authority

In the interest of promoting efficiency and enhancing availability of insurance in this state, the Michigan Department of Insurance and Financial Services (DIFS) has adopted the Uniform Certificate of Authority Application (UCAA) developed by the National Association of Insurance Commissioners (NAIC) for use by insurers applying to do business in Michigan as an authorized insurer. Persons planning to form a Michigan domestic insurer should use the UCAA-Primary Application. All others should use the UCAA-Expansion Application. Both UCAA application forms can be obtained from the NAIC or downloaded from the NAIC's website: www.naic.org/industry_ucaa.htm. Michigan-specific components can be obtained from DIFS' website.

Applications for Surplus Lines Eligibility

The federal Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5301 *et seq.*, (Dodd-Frank) imposes restrictions on the criteria a state may use to determine whether an entity is eligible to place coverage in the surplus lines market. Dodd-Frank permits states to ensure that a nonadmitted insurer is authorized to write a certain type of insurance in its home state and to ensure that the nonadmitted insurer meets certain minimum capital and surplus requirements. Accordingly, DIFS has adopted an Application for Verifying Eligibility as a Surplus Lines Insurer in the State of Michigan (Form FIS 2260), which is posted on DIFS' website. Michigan's eligibility requirements are consistent with Dodd-Frank and are as follows:

Foreign U.S. Insurers

- a) Must possess a minimum capital and surplus of at least \$15,000,000;
- b) Must be currently licensed in its domiciliary state to write the same line or lines of insurance which the applicant will be writing in Michigan, with no restrictions or limitations on the Certificate of Authority of the company in its domiciliary state.

Alien Insurers

Must provide confirmation that the company has been placed on the Quarterly Listing of Alien Insurers maintained by the International Insurers Department of the NAIC.

All applicants should send materials to: Application Coordinator, Office of Insurance Evaluation; 611 W. Ottawa Street, P.O. Box 30220, Lansing, Michigan 48909. For overnight delivery, send to 611 W. Ottawa St., 3rd Floor, Lansing, MI, 48933 (phone: 517-373-0246).

Any questions regarding this bulletin should be directed to:

Department of Insurance and Financial Services
Office of Insurance Evaluation
P.O. Box 30220
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