

# HOUSE BILL No. 5290

November 15, 1989, Introduced by Reps. Middaugh, Alley, Wartner, Van Singel, Varga, Stacey, Sikkema, Brown, Hoekman and Bennett and referred to the Committee on Insurance.

A bill to amend section 1311 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

being section 500.1311 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 1311 of Act No. 218 of the Public Acts  
2 of 1956, being section 500.1311 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4       Sec. 1311. (1) A person other than the issuer shall not  
5 make a tender offer for or a request or invitation for tenders  
6 of, or enter into any agreement to exchange securities for, seek  
7 to acquire or acquire, in the open market or otherwise, any  
8 voting security of a domestic insurer if, after the consummation  
9 thereof, the person directly or indirectly, or by conversion or  
10 by exercise of any right to acquire, would be in control of the

1 insurer. ~~, nor~~ A PERSON SHALL NOT enter into an agreement to  
2 merge with or otherwise to acquire control of a domestic insurer  
3 unless, at the time any offer, request, or invitation is made or  
4 any agreement is entered into, or prior to the acquisition of the  
5 securities if no offer or agreement is involved, the person has  
6 filed with the commissioner and has sent to the insurer which has  
7 sent to its shareholders, a statement containing the information  
8 required by this section and the offer, request, invitation,  
9 agreement, or acquisition has been approved by the commissioner.

10 (2) For purposes of ~~sections 1311~~ THIS SECTION AND SEC-  
11 TIONS 1312 to 1319, ~~inclusive,~~ a domestic insurer shall include  
12 any other person controlling a domestic insurer. ~~unless such~~  
13 ~~other person is either directly or through its affiliates primar-~~  
14 ~~ily engaged in business other than the business of insurance.~~