

# SENATE BILL No. 351

April 20, 1989, Introduced by Senators POSTHUMUS,  
FAUST and ENGLER and referred to the Committee on  
Commerce and Technology.

A bill to amend section 5238 of Act No. 218 of the Public  
Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended by Act No. 338 of the Public Acts of 1982, being sec-  
tion 500.5238 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 5238 of Act No. 218 of the Public Acts  
2       of 1956, as amended by Act No. 338 of the Public Acts of 1982,  
3       being section 500.5238 of the Michigan Compiled Laws, is amended  
4       to read as follows:

5       Sec. 5238. In all insurers organized under the laws of  
6       Michigan, ~~not less than 3~~ AT LEAST 1 of the trustees or direc-  
7       tors shall be ~~residents~~ A RESIDENT of the state of Michigan.  
8       The articles of incorporation or bylaws of ~~any~~ AN insurer other

1 than a stock insurer may provide that ~~any~~ A director shall be a  
2 policyholder ~~therein~~ OF THE INSURER.