

SENATE BILL No. 398

May 3, 1989, Introduced by Senators FAUST, O'BRIEN,
POSTHUMUS, SHINKLE and SCHWARZ and referred to
the Committee on Commerce and Technology.

A bill to amend Act No. 218 of the Public Acts of 1956,
entitled as amended
"The insurance code of 1956,"
as amended, being sections 500.100 to 500.8302 of the Michigan
Compiled Laws, by adding sections 412, 413, 414, and 415.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding sections 412, 413, 414, and
4 415 to read as follows:

5 SEC. 412. (1) AN INSURER ORGANIZED UNDER THE LAWS OF ANY
6 OTHER STATE AND ADMITTED TO DO BUSINESS IN THIS STATE FOR THE
7 PURPOSE OF WRITING INSURANCE MAY BECOME A DOMESTIC INSURER BY
8 COMPLYING WITH ALL OF THE REQUIREMENTS OF LAW RELATIVE TO THE
9 ORGANIZATION AND LICENSING OF A DOMESTIC INSURER OF THE SAME TYPE

1 AND BY DESIGNATING ITS PRINCIPAL PLACE OF BUSINESS AT A PLACE IN
2 THIS STATE.

3 (2) AN INSURER WHO COMPLIES WITH SUBSECTION (1) SHALL BE
4 ENTITLED TO DOMESTIC INSURER CERTIFICATES AND LICENSES TO TRANS-
5 ACT BUSINESS IN THIS STATE AND SHALL BE SUBJECT TO THE AUTHORITY
6 AND JURISDICTION OF THIS STATE.

7 SEC. 413. UPON THE APPROVAL OF THE COMMISSIONER, A DOMESTIC
8 INSURER MAY TRANSFER ITS DOMICILE TO ANY OTHER STATE IN WHICH IT
9 IS ADMITTED TO TRANSACT THE BUSINESS OF INSURANCE, AND UPON THE
10 TRANSFER SHALL CEASE TO BE A DOMESTIC INSURER BUT SHALL BE ADMIT-
11 TED TO THIS STATE IF QUALIFIED AS A FOREIGN INSURER. THE COMMIS-
12 SIONER SHALL APPROVE A PROPOSED TRANSFER UNLESS HE OR SHE DETER-
13 MINES THE TRANSFER IS NOT IN THE INTEREST OF THE POLICYHOLDERS OF
14 THIS STATE.

15 SEC. 414. THE CERTIFICATE OF AUTHORITY, AGENT'S APPOINT-
16 MENTS, LICENSES, RATES, AND OTHER ITEMS WHICH THE COMMISSIONER
17 ALLOWS, IN HIS OR HER DISCRETION, WHICH ARE IN EXISTENCE AT THE
18 TIME AN INSURER LICENSED TO TRANSACT THE BUSINESS OF INSURANCE IN
19 THIS STATE TRANSFERS ITS CORPORATE DOMICILE TO THIS OR ANY OTHER
20 STATE BY MERGER, CONSOLIDATION, OR ANY OTHER LAWFUL METHOD SHALL
21 CONTINUE IN FULL FORCE AND EFFECT UPON THE TRANSFER IF THE
22 INSURER REMAINS DULY QUALIFIED TO TRANSACT THE BUSINESS OF INSUR-
23 ANCE IN THIS STATE. ALL OUTSTANDING POLICIES OF A TRANSFERRING
24 INSURER SHALL REMAIN IN FULL FORCE AND EFFECT AND NEED NOT BE
25 ENDORSED AS TO THE NEW NAME OF THE COMPANY OR ITS NEW LOCATION
26 UNLESS SO ORDERED BY THE COMMISSIONER. EACH TRANSFERRING INSURER
27 SHALL FILE NEW POLICY FORMS WITH THE COMMISSIONER ON OR BEFORE

1 THE EFFECTIVE DATE OF THE TRANSFER, BUT MAY USE EXISTING POLICY
2 FORMS WITH APPROPRIATE ENDORSEMENTS IF ALLOWED BY, AND UNDER SUCH
3 CONDITIONS AS APPROVED BY, THE COMMISSIONER. EACH TRANSFERRING
4 INSURER SHALL NOTIFY THE COMMISSIONER OF THE DETAILS OF THE PRO-
5 POSED TRANSFER AND SHALL FILE PROMPTLY ANY RESULTING AMENDMENTS
6 TO CORPORATE DOCUMENTS FILED OR REQUIRED TO BE FILED WITH THE
7 COMMISSIONER.

8 SEC. 415. THE COMMISSIONER MAY PROMULGATE RULES PURSUANT TO
9 THE ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE
10 PUBLIC ACTS OF 1969, BEING SECTIONS 24.201 TO 24.328 OF THE
11 MICHIGAN COMPILED LAWS, TO CARRY OUT THE PURPOSES OF SECTIONS 412
12 TO 414.