

Act No. 28
Public Acts of 2023
Approved by the Governor
May 8, 2023
Filed with the Secretary of State
May 8, 2023
EFFECTIVE DATE: May 8, 2023

**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2023**

Introduced by Senator Anthony

ENROLLED SENATE BILL No. 101

AN ACT to amend 1956 PA 218, entitled “An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of

this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act,” by amending sections 5228, 5230, and 5245 (MCL 500.5228, 500.5230, and 500.5245), as amended by 2020 PA 266.

The People of the State of Michigan enact:

Sec. 5228. (1) The stockholders or members of a corporation may adopt bylaws that they consider advisable. Bylaws adopted under this subsection may provide 1 or both of the following:

(a) One or more directors may participate in a regular or special meeting of the board, or a committee of the board, or conduct the meeting, by means of electronic communication devices that enable all participants in the meeting to communicate with each other. A director participating in a meeting allowed under this subdivision is deemed to be present in person at a meeting.

(b) Any meeting of the stockholders or members may be conducted by means of electronic communications devices by which all stockholders or members participating may simultaneously participate in the meeting. A stockholder or member participating in a meeting allowed under this subdivision is deemed to be present in person at a meeting.

(2) The directors of a domestic insurer may make bylaws, not inconsistent with the constitution and laws of this state, or with the insurer’s articles of incorporation, as they consider necessary for the government of the officers and members of the insurer, and the conduct of its affairs. All bylaws and any amendments to the bylaws must be filed with the director of the department before becoming operative.

(3) If bylaws adopted under subsection (1) need to be amended to allow meetings through electronic communication devices described in subsection (1), an amendment to the bylaws may be adopted at a meeting conducted through electronic communication devices described in subsection (1).

Sec. 5230. (1) A special meeting of the stockholders or members of a domestic stock or mutual insurer may be called for purposes other than amending articles of incorporation under section 5214 and extending its corporate existence under section 5222, by the directors at any time they consider advisable.

(2) Notice of a meeting of the members or stockholders must be given by mailing to each member or stockholder a copy of the notice, postage prepaid, directed to his or her last known post office address at least 21 days before the time fixed for the meeting. The notice must state the time and place, and if the meeting is a special meeting, the purpose of the special meeting. However, notice of the time and place of the annual meeting of a mutual insurer may be printed on the policy or certificate of renewal instead of mailing as required under this subsection, in which case the notice must also be printed with the annual statement of the insurer.

(3) A meeting of the stockholders or members may be conducted by means of electronic communications devices by which all stockholders or members participating may simultaneously participate in the meeting. A stockholder or member participating in a meeting allowed under this subsection is deemed to be present in person at a meeting.

Sec. 5245. (1) A majority of the board of directors constitutes a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present are the acts of the board of directors.

(2) On written notice of the time and place and purpose or purposes of any special meeting, any of the directors, in-between regular meetings of the board of directors, may consent in writing to any specific action to be taken by the corporation, and if approved by a majority of the directors at the special meeting, including those consenting in writing, the action is as valid a corporation action as though authorized at a regular meeting of the directors. The minutes of approval and action must be fully recorded, each written consent must be made a part of the minutes, and the minutes and written consent must be reviewed at the next regular meeting of the board of directors.

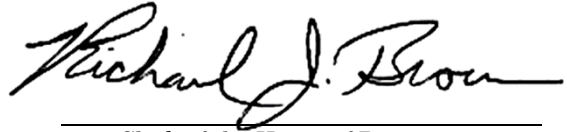
(3) Unless prohibited by the articles of incorporation or bylaws, action required or permitted to be taken under authorization voted at a meeting of the board or a committee of the board may be taken without a meeting if, before or after the action, all members of the board then in office or of the committee consent to the action in writing or by electronic transmission. The written consents must be filed with the minutes of the proceedings of the board or committee. The consent has the same effect as a vote of the board or committee for all purposes.

(4) The board of directors may permit 1 or more directors to participate in a regular or special meeting of the board, or a committee of the board, or conduct the meeting, by means of electronic communication devices that enable all participants in the meeting to communicate with each other. A director participating in a meeting under this subsection is deemed to be present in person at the meeting.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor