

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.632 Insurers; nonprofit dental care corporation; reinsurance; authorization.

Sec. 632. (1) An insurer may reinsure any risk authorized to be undertaken by it and grant reinsurance on any similar risk undertaken by any other insurer. A nonprofit dental care corporation operating under 1963 PA 125, MCL 550.351 to 550.373, may reinsure any risk authorized to be undertaken by it and grant reinsurance on any similar risk undertaken by another legal entity.

(2) Subject to chapter 58, a mutual insurance company other than life may, by policy, treaty, or other agreement, cede to or accept from any insurance company or insurer reinsurance on the whole or any part of any risk, which reinsurance must be without contingent liability or participation or membership unless provided otherwise. Reinsurance must not be effected with any company or insurer disapproved by written order of the director filed in his or her office.

(3) An insurer authorized to transact multiple lines of insurance may, except with respect to policies of life and endowment insurance and contracts for the payment of annuities and pure endowments, reinsure risks of every kind or description.

(4) Reinsurance must not be ceded to or accepted by any insurer operating under the cooperative or assessment plan. Reinsurance of any insurer operating under the cooperative or assessment plan must be ceded only to insurers authorized under this act to transact a similar kind of insurance in this state and to accept reinsurance.

(5) An insurer may be specifically authorized to accept reinsurance for kinds of risks that it does not have authority to insure directly.

History: 1956, Act 218, Eff. Jan. 1, 1957;—Am. 1962, Act 53, Eff. Mar. 28, 1963;—Am. 1966, Act 221, Imd. Eff. July 11, 1966;—Am. 1994, Act 226, Imd. Eff. June 27, 1994;—Am. 2016, Act 276, Imd. Eff. July 1, 2016.

Popular name: Act 218