

EMERGENCY INSURANCE LEGISLATION (EXCERPT)
Act 66 of 1933

550.2 Insurance company disbursement limitations.

Sec. 2.

The provisions of any law of this state to the contrary notwithstanding, during any period of public calamity resulting in abnormal financial losses to and unforeseen and excessive disbursements by any insurance company, fraternal benefit society or association (herein referred to as "company" or "companies") doing business in this state, and during any financial emergency, including the emergency referred to in the governor's proclamation of February 14, 1933, and the president's proclamation of March 6, 1933, and other similar emergencies, occurring as the result of financial disturbances in business generally, threatened or actual disaster to the banking and other financial institutions of the United States or of this state, and disruption of business and orderly business process resulting in such unusual demands upon the cash or other assets of insurance companies doing business in this state as to endanger the solvency of or threaten insolvency to any such companies and the consequences thereof, the commissioner of insurance may, by general regulations applicable to all such companies, or by special regulations applicable to any class of insurance companies, prescribe such limits or restrictions upon the disbursements, loans, investment of funds or other disposition of assets of any such companies as in his judgment is or may be necessary for the preservation of the rights of all of the policy-holders, beneficiaries or assignees, or other claimants or creditors of such companies, for the purpose of preventing such undue preferential payments to certain policyholders, beneficiaries, claimants and creditors as may or will imperil or prejudice the rights of other policyholders, beneficiaries, claimants and creditors, and for the promotion and maintenance of sound insurance practices. Provided, That no such rules or regulations shall be made in any case to relieve the company from making any loan applied for by the policyholder against the legal reserves on his or her policy for the purpose of paying his or her premium on his or her policy of insurance in such company.

History: 1933, Act 66, Imd. Eff. Apr. 28, 1933 ;-- CL 1948, 550.2

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibilities of the insurance bureau and the commissioner of insurance to the commissioner of the office of financial and insurance services and the office of financial and insurance services, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.