

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

500.1153 Person acting as reinsurance intermediary-broker; bond; license; nonresident; service of process; refusal to issue license.

Sec. 1153. (1) A person shall not act as a reinsurance intermediary-broker in this state if the reinsurance intermediary-broker, either directly or as a member or employee of a firm or association, or as an officer, director, or employee of a corporation, does either of the following:

(a) Maintains an office in this state, unless the person is licensed as an agent or a reinsurance intermediary-broker in this state.

(b) Maintains an office in another state, unless the person is licensed as an agent or a reinsurance intermediary-broker in this state or another state having a law substantially similar to this law or such reinsurance intermediary-broker is licensed in this state as a nonresident reinsurance intermediary.

(2) A person shall not act as a reinsurance intermediary-manager in any of the following cases:

(a) For a reinsurer domiciled in this state, unless such person is licensed as an agent or a reinsurance intermediary-manager in this state.

(b) In this state, if the person maintains an office either directly or as a member of a firm or association, or an officer, director, or employee of a corporation in this state, unless such person is licensed as an agent or a reinsurance intermediary-manager in this state.

(c) In another state for a nondomestic insurer, unless the person is licensed as an agent or a reinsurance intermediary-manager in this state or another state having a law substantially similar to this law or the person is licensed in this state as a nonresident reinsurance intermediary.

(3) The commissioner may require a reinsurance intermediary-manager subject to subsection (2) to file a bond in an amount acceptable to the commissioner from an insurer acceptable to the commissioner for the protection of the reinsurer, and maintain an errors and omissions policy in an amount acceptable to the commissioner.

(4) The commissioner may issue a reinsurance intermediary license to any person who has complied with the requirements of this chapter. Any license issued to a firm or association shall authorize all the members of the firm or association and any designated employees to act as reinsurance intermediaries under the license, and all such persons shall be named in the application and any supplements thereto. Any license issued to a corporation shall authorize all of the officers and any designated employees and directors to act as reinsurance intermediaries on behalf of the corporation, and all such persons shall be named in the application and any supplements thereto.

(5) If the applicant for a reinsurance intermediary license is a nonresident, the applicant, as a condition precedent to receiving or holding a license, shall designate the commissioner as agent for service of process in the manner, and with the same legal effect, provided for by this act for designation of service of process upon unauthorized insurers, and shall also furnish the commissioner with the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting the nonresident reinsurance intermediary may be served. The licensee shall promptly notify the commissioner in writing of every change in its designated agent for service of process.

(6) The commissioner may refuse to issue a reinsurance intermediary license if, in his or her judgment, the applicant, anyone named on the application, or any member, principal, officer, or director of the applicant, is not trustworthy, if any controlling person of the applicant is not trustworthy to act as a reinsurance intermediary, or if any of the foregoing has given cause for revocation or suspension of license or has failed to comply with any prerequisite for issuance of a license. Upon written request, the commissioner shall furnish a summary of the basis for refusal to issue a license, which document shall be confidential and shall not be divulged to any person except as provided in this section.

History: Add. 1994, Act 226, Imd. Eff. June 27, 1994.

Popular name: Act 218