

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

500.1401 Definitions.

Sec. 1401. As used in this chapter:

(a) "Actuary" means a person who is a member in good standing of the American academy of actuaries.

(b) "Managing general agent" or "MGA" means a person who is not listed under section 1403 and meets both of the following:

(i) Negotiates and binds ceding reinsurance contracts on behalf of an insurer or manages all or part of the insurance business of an insurer, including the management of a separate division, department, or underwriting office.

(ii) Acts as an agent for such insurer whether known as a managing general agent or other similar term, who, with or without the authority, either separately or together with affiliates, produces, directly or indirectly, and underwrites an amount of gross direct written premium of not less than 5% of the policyholder surplus as reported in the last annual statement of the insurer in any 1 quarter or year and adjusts or pays claims in excess of an amount determined by the commissioner or negotiates reinsurance on behalf of the insurer.

(c) "Guaranty association" means the property and casualty guaranty association created in chapter 79 and the life and health insurance guaranty association created in chapter 77.

(d) "Underwrite" means the authority to accept or reject risk on behalf of the insurer.

History: Add. 1990, Act 350, Eff. June 1, 1991.

Popular name: Act 218