

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

500.1921 Recognition as eligible unauthorized insurer; deposit; trust fund, marketable securities, or equivalent instruments; provisions inapplicable to certain unincorporated, alien insurers; commissioner as resident agent for service of process.

Sec. 1921. (1) In addition to other requirements of this chapter, to gain recognition as an eligible unauthorized insurer in this state, an unauthorized insurer shall deposit with this state in cash, marketable securities, or other comparable instruments, at least \$75,000.00 solely for the benefit of policyholders and beneficiaries in this state, or shall maintain a trust fund in the United States in cash, marketable securities, or other substantially equivalent instruments of at least \$1,000,000.00 with a United States bank which is a member of the federal reserve system or which is regulated by the financial institutions bureau, or which is on deposit with regulatory authorities in the state of domicile of the insurer for the benefit of all United States policyholders and beneficiaries. A trust fund required under this subsection shall not have an expiration date which is at any time less than 5 years in the future, on a continuing basis. If the commissioner considers it necessary to protect the interests of policyholders and beneficiaries in this state, he or she may require an additional deposit or a larger trust fund from an insurer.

(2) Subsection (1) and section 1920(4) shall not apply to unincorporated, individual alien insurers which, in place of the requirements prescribed in subsection (1) and section 1920(4), hold in trust for all policyholders and beneficiaries in the United States not less than \$50,000,000.00, in the aggregate.

(3) Each eligible unauthorized insurer shall appoint the commissioner as its resident agent, for purposes of service of process.

History: Add. 1980, Act 341, Eff. June 23, 1981.

Popular name: Act 218