

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

500.406 Foreign insurer; limitation on corporate purposes and powers; election of statute; denial of admission or authority; continuation of license to transact insurance business previously authorized; exception.

Sec. 406. (1) A foreign insurer shall not be admitted to this state if the insurer's corporate purposes exceed those permitted for Michigan insurers.

(2) For the purpose of obtaining admission or renewal of authority to do business in this state, a foreign insurer, by proper corporate action, may limit its corporate purposes and powers with respect to business in this state, so that the corporate purposes do not exceed those of Michigan insurers authorized under the same classification. However, the foreign insurer, in its application for certificate of authority or for the corporate action referred to, shall elect the particular statute under which it desires admission or recertification.

(3) The commissioner may deny admission or continuance of authority to any foreign insurer engaged outside of this state in any kind or combination of kinds of business not permitted to be transacted by similar domestic insurers by the laws of this state, when in the commissioner's judgment the transacting of these kinds or combination of kinds of business is prejudicial to the best interests of the people of this state.

(4) Notwithstanding subsection (3), a foreign insurer which has been licensed to transact the business of life insurance in this state continuously since January 1, 1921, shall continue to be licensed to transact the kind or kinds of insurance business which it was authorized to transact in this state immediately before January 1, 1941. However, this subsection shall not apply if the commissioner finds, as to a specific insurer, that the kinds of business or combinations of kinds of business has become prejudicial to the best interests of the people of this state.

History: 1956, Act 218, Eff. Jan. 1, 1957;—Am. 1957, Act 12, Eff. Sept. 27, 1957;—Am. 1980, Act 342, Imd. Eff. Dec. 23, 1980.

Popular name: Act 218