

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

500.431a State of entry by alien insurer through U.S. branch; requirements.

Sec. 431a. (1) An alien insurer may use this state as a state of entry to transact insurance in the United States through a U.S. branch by qualifying as an insurer licensed to do business in this state and establishing a trust account pursuant to a trust agreement approved by the commissioner with a qualified United States financial institution approved by the commissioner, in an amount at least equal to the amount required by section 431c. With the prior approval of the commissioner, an alien insurer may establish more than 1 trust account pursuant to 1 or more trust agreements, provided that the aggregate of all amounts held in such trust accounts is at least equal to the amount required by section 431c.

(2) Before authorizing the entry through this state of a U.S. branch of an alien insurer, the commissioner shall require the alien insurer to do all of the following:

(a) Submit a copy of the proposed trust indenture for the commissioner's approval.

(b) Submit a copy of its charter, any current bylaws, and any other documents necessary to show the kinds of business that it is authorized to do in its domiciliary jurisdiction, attested to as accurate and complete by the insurance supervisory official in its domiciliary jurisdiction.

(c) Submit a full statement, subscribed and affirmed as true under the penalties of perjury by 2 officers or equivalent responsible representatives in such manner as the commissioner prescribes, of its financial condition as of the close of its latest fiscal year, showing its assets, liabilities, income, disbursements, business transacted, and other facts required to be shown in its annual statement, as reported to the insurance supervisory official in its domiciliary jurisdiction, together with an English language translation, as necessary, of any of the documents required.

(d) Submit to an examination of the insurer's affairs at its principal office within the United States unless the commissioner instead accepts a report of the insurance supervisory official of the insurer's domiciliary jurisdiction.

History: Add. 1994, Act 227, Imd. Eff. June 27, 1994.

Popular name: Act 218