

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

500.435 Certificate of authority as evidence of authority to transact insurance; duration of certificate; certificate as property of state; prerequisites to termination of certificate.

Sec. 435. (1) The certificate of authority issued by the commissioner to an insurer is evidence of its authority to transact the kind or kinds of insurance specified in the certificate in this state.

(2) A certificate of authority shall remain in force until terminated at the request of the insurer or suspended or revoked by the commissioner.

(3) A certificate of authority at all times remains the property of the state. Upon termination at the request of the insurer or revocation by the commissioner, the certificate of authority shall be delivered promptly by the insurer to the commissioner.

(4) The commissioner shall not grant the request of an insurer to terminate its certificate of authority as long as the insurer has any obligations outstanding under a policy of insurance to policyholders or claimants who are residents of this state unless either of the following occurs:

(a) The insurer has deposited with the state treasurer securities acceptable to the commissioner in an amount equal to its liabilities including its reserves as required by this act in respect to its business in this state, as computed by the commissioner, for the sole benefit of its policyholders and creditors resident in this state. The deposits shall be held by the state treasurer and administered as directed by section 464.

(b) The insurer has made other provisions satisfactory to the commissioner to secure obligations to Michigan policyholders or claimants.

History: Add. 1972, Act 360, Imd. Eff. Jan. 9, 1973;—Am. 1992, Act 182, Imd. Eff. Oct. 1, 1992.

Popular name: Act 218