

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

500.464 Additional deposits by domestic insurers.

Sec. 464. (1) Whenever a domestic insurer desiring to do business in any other state or in any foreign country is required to make or maintain a deposit of cash or securities or both in some state other than or in addition to the deposit required to be made with the state treasurer under this act, the other or additional deposit may be made and maintained with the treasurer of this state.

(2) Deposits by insurers with the state treasurer pursuant to this act or in compliance with the law of another state or a foreign country, shall be held for the purposes specified in the applicable law. Special deposits by insurers with the state treasurer shall be held for the purposes specified by the insurer in making the deposit.

(3) Securities deposited with the state treasurer shall be indorsed to bearer or to the state treasurer in the name of his office. The state treasurer shall not enforce, sell or assign securities except when necessary to fulfill the purposes of the deposit and except to return the securities to the depositing insurer when return is permitted.

(4) The insurer may collect and receive dividends and interest on the securities deposited with the state treasurer and may exchange securities for other acceptable securities.

(5) If the market value of securities held by the state treasurer becomes less than the required amount of the deposit, the commissioner may suspend or revoke the authority of the insurer to transact insurance in this state until the deficiency has been covered by the deposit of additional acceptable securities.

(6) Deposits required by this act may be released to the depositing insurer to the extent the insurer demonstrates to the satisfaction of the commissioner that the deposited securities are no longer necessary to cover the obligations of the insurer, if the insurer no longer is transacting business within the state. Other deposits or portions of other deposits may be released to the depositing insurer at any time to the extent that the insurer has demonstrated to the satisfaction of the commissioner that the deposited securities no longer are necessary to satisfy the purposes of the deposit.

History: Add. 1972, Act 360, Imd. Eff. Jan. 9, 1973.

Popular name: Act 218