

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

**500.5248 Directors, officers, and employees of domestic insurer; compensation.**

Sec. 5248. (1) No domestic insurer shall pay any salary, compensation, or emolument to any officer or director of the domestic insurer unless the payment is first authorized by a vote of the board of directors of the insurer.

(2) A director, officer, or employee of a domestic insurer shall not be compensated unreasonably. The compensation of any director or officer of a domestic insurer shall not be calculated, directly or indirectly, as a percentage of premiums collected or insurance written by the insurer, without the approval of the commissioner.

**History:** 1956, Act 218, Eff. Jan. 1, 1957;—Am. 1957, Act 91, Eff. Sept. 27, 1957;—Am. 1959, Act 30, Eff. Mar. 19, 1960;—Am. 1963, Act 69, Eff. Sept. 6, 1963;—Am. 1965, Act 243, Imd. Eff. July 21, 1965;—Am. 2006, Act 289, Imd. Eff. July 20, 2006.

**Popular name:** Act 218