

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

500.5408 Prerequisites to granting certificate of authority.

Sec. 5408. No certificate of authority shall be granted such insurer to issue policies until all of the following conditions have been met:

(a) At least 500 persons have subscribed in the aggregate for at least \$1,000,000.00 of insurance if organized for the purpose of transacting life insurance, or if organized for the purpose of transacting both life and disability insurances, until 500 persons have subscribed for \$1,000,000.00 of each kind of insurance as if corporations had been formed separately for each such purpose and shall each have paid in 1 full annual premium in cash upon the insurance subscribed for. No application shall exceed in amount \$5,000.00 of insurance on the life of any individual or individuals jointly.

(b) The insurer has deposited with the state treasurer securities as required under section 411.

(c) The requirements of this chapter have been complied with and certified under oath to the commissioner by at least 3 of the incorporators and then not until he is satisfied that the membership list and applications are genuine and the premiums paid in cash and the applicants have agreed to accept the policies within 30 days after such certificate shall have been issued. No policy of insurance shall be issued until the commissioner has issued a certificate of authority to transact insurance.

History: 1956, Act 218, Eff. Jan. 1, 1957;—Am. 1972, Act 360, Imd. Eff. Jan. 9, 1973.

Popular name: Act 218