

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

500.5915 Adoption of plan not relying on issuance of subscription rights; alternative plan; retaining qualified expert; “eligible member” and “U.S. branch” defined.

Sec. 5915. (1) The board of directors may adopt a plan of conversion that does not rely in whole or in part upon issuing subscription rights to members to purchase stock of the converted stock company if the commissioner finds that the plan does not prejudice the interests of the members, is fair and equitable, and is not inconsistent with the purpose and intent of this chapter. An alternative plan may include the merger of a domestic mutual insurer into a domestic or foreign stock insurer, issuing stock or cash to policyholders instead of subscription rights, or another plan approved by the commissioner. The commissioner may retain, at the mutual company's expense, any qualified expert not otherwise a part of the commissioner's staff to assist in reviewing whether the plan may be approved by the commissioner.

(2) For an alternative plan submitted under subsection (1) by a U.S. branch of an alien insurer, "eligible member" means a policyholder eligible to receive a benefit upon demutualization in accordance with the plan of demutualization approved in, and the demutualization statute and regulations of, the jurisdiction in which the alien insurer is domiciled, and approved by the commissioner as consistent with the purposes of this chapter. As used in this subsection, "U.S. branch" means a business unit through which insurance is transacted within the United States by an alien insurer that uses this state as a state of entry.

History: Add. 1995, Act 215, Imd. Eff. Nov. 29, 1995;—Am. 1998, Act 121, Imd. Eff. June 10, 1998;—Am. 2000, Act 8, Imd. Eff. Feb. 25, 2000.

Popular name: Act 218