

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

500.7210 Declaration; bond.

Sec. 7210. (1) The subscribers, through their attorney, shall file with the commissioner a declaration, verified by the oath of such attorney, setting forth:

- (a) The name or title of the exchange.
- (b) The location of the principal office of the exchange.
- (c) The kind or kinds of insurance risks to be exchanged. The classes of risks to be written shall be those authorized by section 7202.
- (d) A copy of common contract entered into between the members of the exchange and the attorney.
- (e) A copy of the policy or agreement wherein contracts of insurance are exchanged among the subscribers.

(f) That applications have been made for insurance upon at least 200 risks aggregating not less than \$3,000,000.00, as represented by bona fide applications, or in case of employers' liability or compensation insurance covering a total payroll of not less than \$3,000,000.00, such applications to be concurrently effective when such reciprocal exchange is authorized to commence business by the commissioner. In the case of automobile insurance, applications shall have been made upon at least 1,000 automobiles represented by contracts to be effective concurrently and covering any or all classes of automobile insurance.

(g) That there has been deposited and shall be maintained at all times with the state treasurer cash or securities in satisfaction of the requirements of section 411.

(2) There shall be filed a copy of a bond of \$50,000.00 with the commissioner conditioned that the attorney will faithfully carry out the contract or agreement made between the attorney and the subscribers, guaranteeing the subscribers against any loss to them by reason of any illegal or dishonest acts on the part of such attorney. Such bond may be a bond of an authorized surety company or a personal bond with 2 sureties approved by the commissioner. The bond shall run in favor of the board of trustees or advisory committee of the reciprocal exchange and shall be for the benefit of all subscribers wherever located.

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

Popular name: Act 218