

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

**500.7710 Plan of operation and amendments; submission to commissioner; effective date; failure to submit suitable plan or amendments; rules; compliance by member insurers; contents of plan; providing for delegation of powers and duties of association to other organization.**

Sec. 7710. (1) The association shall submit to the commissioner a plan of operation and amendments to the plan necessary or suitable to assure the fair, reasonable, and equitable administration of the association. The plan of operation and amendments to the plan shall become effective upon approval in writing by the commissioner or if he or she has not disapproved it within 30 days after submission.

(2) If the association fails to submit a suitable plan of operation within 60 days following the effective date of this chapter or if at any time the association fails to submit suitable amendments to the plan, the commissioner shall, after notice and hearing, promulgate rules reasonably necessary or advisable to effectuate this chapter. The rules shall continue in force until modified by the commissioner or superseded by a plan submitted by the association and approved by the commissioner.

(3) All member insurers shall comply with the plan of operation.

(4) In addition to requirements enumerated elsewhere in this chapter, the plan of operation shall contain the following:

(a) Procedures for handling the assets of the association.

(b) The amount and method of reimbursing members of the board of directors under section 7707.

(c) Regular places and times for meetings of the board of directors.

(d) Procedures for records to be kept of financial transactions of the association, the association's agents, and the board of directors.

(e) Procedures for election of the board of directors and for submission of board members to the commissioner.

(f) Additional procedures for assessments under section 7709.

(g) Additional provisions necessary or proper for the execution of the powers and duties of the association.

(5) The plan of operation may provide that any or all powers and duties of the association, except those under sections 7708(16)(c) and 7709, are delegated to a corporation, association, or other organization which performs or will perform functions similar to those of the association, or the association's equivalent, in 2 or more states.

**History:** Add. 1982, Act 194, Imd. Eff. June 28, 1982;—Am. 1989, Act 302, Imd. Eff. Jan. 3, 1990.

**Popular name:** Act 218