

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

***** 490.409.amended THIS AMENDED SECTION IS EFFECTIVE SEPTEMBER 7, 2016 *****

490.409.amended Insurance programs to members.

Sec. 409. (1) A credit union board may offer insurance programs to members of the domestic credit union, individually or as a group, including insurance programs at the individual member's own expense. An insurance program offered under this section shall meet 1 of the following conditions:

(a) Except for insurance described in subdivision (b), the purchase of the insurance coverage by a member is voluntary and a copy of the written election to purchase the insurance is on file at the domestic credit union.

(b) If the insurance is a condition of a loan, the member who is borrowing may purchase or provide the insurance from a carrier of the member's choice or may assign any existing insurance coverage.

(2) A domestic credit union may receive payment for making an insurance program available to its members.

(3) Other than a refund of premium if he or she is a purchaser of the insurance services, a credit union officer, board member, committee member, or employee shall not directly or indirectly be paid or receive, and a person shall not directly or indirectly offer, a fee, compensation, commission, gift, or other consideration for insurance sold to the domestic credit union or its membership from any person other than the domestic credit union. This subsection does not prevent a credit union officer, board member, committee member, or employee from receiving customary salary or commission as an employee or agent of an insurance company if the salary or commission is not related to making insurance programs available to credit union members or to placing insurance with a domestic credit union served by the credit union officer, board member, committee member, or employee.

(4) A domestic credit union shall not directly or indirectly enter into any act or transaction that involves an insurance program unless all of the parties to the insurance program expressly agree in writing to meet all of the requirements of this section.

(5) Before a domestic credit union makes an insurance program available to its members, the domestic credit union shall conduct a reasonable due diligence review of that product. The domestic credit union shall provide the director with access to any files that are relevant to that review on request.

(6) A domestic credit union may advise its members of the availability of an insurance program and of its action taken under subsection (5) and may use marketing materials supplied by the insurance carrier.

(7) If authorized by the credit union board, a domestic credit union may furnish to an insurance carrier or an agent membership lists of addresses without compensation from the insurance carrier or agent. For an appropriate fee, if authorized by the credit union board, a domestic credit union may mail marketing materials about an insurance program to its membership.

(8) A domestic credit union may assist a member in filing a claim and with other matters dealing with an insurance carrier if that assistance does not violate any applicable insurance law and regulation.

History: 2003, Act 215, Eff. June 1, 2004;—Am. 2016, Act 152, Eff. Sept. 7, 2016.