

Insurance; other; required notices to be sent to office of financial and insurance services for appointment or election of new officers and directors; limit.

INSURANCE: Other; INSURANCE: Insurers; STATE AGENCIES (EXISTING): Family independence agency

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 250 (MCL 500.250).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 250. (1) All insurers licensed to do business in this
2 state shall notify the commissioner within 30 days of ~~the~~
3 ~~appointment or election of any new officers or directors, or any~~
4 transfer of stock ~~which~~ THAT results in any ~~one~~ 1 person
5 holding 10% or more of the voting shares of an insurer. IN ADDI-
6 TION, A DOMESTIC INSURER SHALL NOTIFY THE COMMISSIONER WITHIN 30
7 DAYS OF THE APPOINTMENT OR ELECTION OF ANY NEW OFFICERS OR
8 DIRECTORS.

9 (2) If, after proceedings under section 249, the
10 commissioner has reason to believe that an officer or director is
11 untrustworthy or has abused his OR HER trust and that ~~his~~

1 continuation as an officer or director is hazardous or injurious
2 to the insurer, the policyholders, or the public, the commis-
3 sioner shall hold a hearing. ~~thereon.~~ After the hearing and
4 after written findings that the officer or director is untrust-
5 worthy or has abused his OR HER trust and that ~~his~~ continuation
6 as an officer or director is hazardous or injurious to the insur-
7 er, the policyholders, or the public, the commissioner may order
8 the removal of the officer or director.

9 (3) If the insurer does not comply with ~~such~~ A removal
10 order UNDER SUBSECTION (2) within 30 days, the commissioner may
11 suspend or revoke the insurer's certificate of authority until
12 ~~such time as~~ the insurer complies with the order.

13 (4) Any ~~such~~ action ~~when~~ UNDER THIS SECTION taken by an
14 insurer, its directors, or officers pursuant to an order of the
15 commissioner under this act shall be ~~deemed~~ CONSIDERED to be in
16 good faith and shall not be the basis for subjecting the insurer,
17 its directors, or officers to civil liabilities.

18 (5) Any order of the commissioner issued ~~pursuant to~~ UNDER
19 this section ~~shall be~~ IS subject to review as provided in sec-
20 tion 244.