

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

500.250 Insurers; stock transfer; officers or directors; appointment; notice to director; grounds for removal; hearing; order; civil immunity; review; "insurer" defined.

Sec. 250.

(1) All insurers licensed to do business in this state shall notify the director within 30 days of any transfer of stock that results in any 1 person holding 10% or more of the voting shares of an insurer. In addition, a domestic insurer shall notify the director within 30 days of the appointment or election of any new officers or directors.

(2) If, after proceedings under section 249, the director has reason to believe that an officer or director is untrustworthy or has abused his or her trust and that continuation as an officer or director is hazardous or injurious to the insurer, the policyholders, or the public, the director shall hold a hearing. After the hearing and after written findings that the officer or director is untrustworthy or has abused his or her trust and that continuation as an officer or director is hazardous or injurious to the insurer, the policyholders, or the public, the director may order the removal of the officer or director.

(3) If the insurer does not comply with a removal order under subsection (2) within 30 days, the director may suspend or revoke the insurer's certificate of authority until the insurer complies with the order.

(4) Any action under this section taken by an insurer or its directors or officers pursuant to an order of the director under this act must be considered to be in good faith and not be the basis for subjecting the insurer or its directors or officers to civil liabilities.

(5) An order of the director issued under this section is subject to review as provided in section 244.

(6) As used in this section, "insurer" includes a nonprofit dental care corporation operating under 1963 PA 125, MCL 550.351 to 550.373.

History: Add. 1967, Act 262, Eff. Nov. 2, 1967 ;-- Am. 2002, Act 684, Imd. Eff. Dec. 30, 2002 ;-- Am. 2016, Act 276, Imd. Eff. July 1, 2016

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