

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

490.387 Insurance of member share and deposit accounts.

Sec. 387.

(1) A domestic credit union that is not a corporate credit union shall apply for and maintain insurance of member share accounts and member deposit accounts from an agency of the federal government that provides that insurance.

(2) A credit union that is denied a commitment for insurance of its share and deposit accounts by the insuring federal agency or that is given notice by the insuring federal agency of the agency's intent to terminate insurance of the credit union's shares and deposits shall either dissolve, merge with another credit union that is insured by an agency of the federal government, or apply in writing to the commissioner within 30 days after the denial or notice for additional time to obtain an insurance commitment.

(3) The commissioner shall grant a credit union described in subsection (2) 1 or more additional periods of time to obtain or reinstate an insurance commitment if the commissioner receives satisfactory evidence that the credit union has made or is making a substantial effort to meet the conditions required by the insuring federal agency for issuance of an insurance commitment.

(4) A credit union may contract with an insurance carrier licensed to do business in this state for insurance of the balances of its accounts that exceed the amount insured by the insuring federal agency.

History: 2003, Act 215, Eff. June 1, 2004