

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

500.1930 Association of licensees; registration; purposes; required filings by association; reasons for refusal to register association; reasons for suspension or revocation of registration; denial of membership.

Sec. 1930.

(1) Licensees may associate and the commissioner may register an association for 1 or more of the following purposes:

(a) Advising the commissioner as to the availability of surplus lines coverage and market practices and standards for surplus lines insurers and licensees.

(b) Collecting and furnishing records, statistics, and accounts.

(c) Submitting recommendations regarding administration of this chapter.

(2) Each association shall file with the commissioner, for approval, all of the following:

(a) A copy of the association's constitution and articles of agreement or association, or the association's certificate of incorporation and bylaws, and any rules or regulations governing the association's activities.

(b) An agreement that, as a condition of continued registration under subsection (1), the commissioner may examine the association.

(3) Each association shall file with the commissioner and keep current all of the following:

(a) A list of members.

(b) The name and address of a resident of this state upon whom notices or orders of the commissioner or process issued by the commissioner may be served.

(4) The commissioner may refuse to register, or may suspend or revoke the registration of, an association for any of the following reasons:

(a) It reasonably appears that the association will not be able to carry out the purposes of this chapter.

(b) The association fails to maintain and enforce rules which can reasonably be anticipated to assure that members of the association and persons associated with those members comply with this chapter, other applicable chapters of this code, and rules promulgated under either.

(c) The rules of the association do not assure a fair representation of its members in the selection of directors and in the administration of its affairs.

(d) The rules of the association do not provide for an equitable allocation of reasonable dues, fees, and other charges among members.

(e) The rules of the association impose a burden on competition not necessary or appropriate to the purposes of this chapter.

(f) The association fails to meet other applicable requirements prescribed in this chapter.

(5) An association shall deny membership to any person who is not a licensee.

History: Add. 1980, Act 341, Eff. June 23, 1981

Popular Name: Act 218