

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

500.5505 Filing plan of division with the department; approval by board of directors and shareholders; effectiveness of certain provisions; reasonable notice.

Sec. 5505.

(1) A domestic stock insurer shall not file a plan of division with the director of the department unless the plan of division has been approved in accordance with all provisions of its articles of incorporation and bylaws and by the board of directors and shareholders of the dividing insurer.

(2) If a provision of the articles of incorporation or bylaws of a domestic stock insurer adopted before the effective date of the amendatory act that added this chapter requires that a specific number or percentage of the board of directors or shareholders approve the proposal or adoption of a plan of merger, or imposes other special procedures for the proposal or adoption of a plan of merger, the domestic stock insurer shall adhere to the provision in proposing or adopting a plan of division. If a provision of the articles of incorporation or bylaws of a domestic stock insurer is amended on or after the effective date of the amendatory act that added this chapter, the provision applies to a division only in accordance with its express terms.

(3) Within 10 business days after filing the plan of division with the director of the department, the dividing insurer shall provide reasonable notice of the filing to each reinsurer that is a party to a reinsurance contract allocated in the plan of division.

History: Add. 2018, Act 421, Imd. Eff. Dec. 20, 2018

Popular Name: Act 218