

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

500.5911 Receipt of subscription rights by directors and officers of mutual company.

Sec. 5911.

(1) The plan may provide that the directors and officers of the mutual company shall receive, without payment, subscription rights to purchase capital stock of the converted stock company or the stock of another corporation that is participating in the conversion plan, as provided in section 5905(1)(c)(i)(A), (B), or (C). These subscription rights shall be allocated among the directors and officers by a fair and equitable formula.

(2) The total number of shares that may be purchased under subsection (1) shall not exceed 25% of the total number of shares to be issued for a mutual company if total assets of the company are less than \$50,000,000.00 or 15% of the total number of shares to be issued for a mutual company if total assets of the company are more than \$500,000,000.00. For mutual companies with total assets of or between \$50,000,000.00 and \$500,000,000.00, the percentage of the total number of shares that may be purchased shall be interpolated.

(3) Stock purchased by a director or officer under subsection (1) may not be sold within 1 year after the effective date of the conversion.

History: Add. 1995, Act 215, Imd. Eff. Nov. 29, 1995 ;-- Am. 2000, Act 8, Imd. Eff. Feb. 25, 2000

Popular Name: Act 218