

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

500.8177 Consolidation or merger; compliance; filings; approval of contract; issuance of certificate; effective date; vesting of rights, franchises, and interest; affidavit as evidence of mailing notice or documents; payment of expenses and compensation; itemized statement of expenses; consolidation or merger subject to MCL 500.7604.

Sec. 8177.

(1) A domestic society may consolidate or merge with another society by complying with the provisions of this section and filing with the commissioner all of the following:

(a) A certified copy of the written contract containing in full the terms and conditions of the consolidation or merger.

(b) A sworn statement by the president and secretary or corresponding officers of each society showing the financial condition of the society on a date fixed by the commissioner but not earlier than December 31 of the year preceding the date of the contract.

(c) A certificate of the officers listed in subdivision (b), duly verified by their respective oaths, that the consolidation or merger has been approved by a 2/3 vote of the supreme governing body of each society, the vote being conducted at a regular or special meeting of each society, or, if the society's laws permit, by mail.

(d) Evidence that at least 60 days prior to the action of the supreme governing body of each society, the text of the contract has been furnished to all members of each society either by mail or by publication in full in each society's official publication.

(2) If the commissioner finds that the contract is in conformity with the provisions of this section, the financial statements are correct, and the consolidation or merger is just and equitable to the members of each society, the commissioner shall approve the contract and issue a certificate to that effect. Upon approval, the contract shall be in full force and effect unless any society that is a party to the contract is incorporated under the laws of any other state or territory. In such event, the consolidation or merger shall not become effective unless and until it has been approved as provided by the laws of each state or territory and a certificate of the approval is filed with the commissioner of this state or, if the laws of the state or territory do not contain such a provision, then the consolidation or merger shall not become effective unless and until it has been approved by the commissioner of insurance of each state or territory and a certificate of the approval is filed with the commissioner of this state.

(3) Upon the effective date of a consolidation or merger under this section, all the rights, franchises, and interests of the consolidated or merged societies in and to every species of property, real, personal, or mixed, and things in action belonging to the societies shall be vested in the society resulting from or remaining after the consolidation or merger without any other instrument, except that conveyances of real property may be evidenced by proper deeds, and the title to any real estate or interest in real estate, vested under the laws of this state in any of the societies consolidated or merged, shall not revert or be in any way impaired by reason of the consolidation or merger, but shall vest absolutely in the society resulting from or remaining after the consolidation or merger.

(4) The affidavit of any officer of the society or of anyone authorized by the society to mail any notice or document, stating that the notice or document has been duly addressed and mailed, is prima facie evidence that the notice or document has been furnished the addressees.

(5) All necessary and actual expenses and compensation incident to the proceedings for consolidation or merger shall be paid as provided by the contract of consolidation or merger except that a brokerage or commission shall not be included in the expenses and compensation, shall not be paid to any person by either of the parties to a contract in connection with the negotiation or execution of the contract, and compensation shall not be paid to any officer or employees of either of the parties to the contract for directly or indirectly aiding in effecting the contract of consolidation or merger. An itemized statement of all expenses shall be filed with each commissioner, is subject to each commissioner's approval, and upon approval is binding on the parties. Except as fully expressed in the contract of consolidation or merger or approved itemized statement of expenses, compensation shall not be paid to a person or officer or employee of the state, directly or indirectly, for in any manner aiding, promoting, or assisting any consolidation or merger.

(6) A consolidation or merger is also subject to the applicable provisions of section 7604.

History: Add. 1990, Act 1, Eff. Apr. 1, 1990

Popular Name: Act 218