

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

500.1151 Definitions.

Sec. 1151. As used in this chapter:

(a) "Actuary" means a person who is a member in good standing of the American academy of actuaries, the society of actuaries, or the casualty actuarial society.

(b) "Qualified United States Financial institution" means an institution that meets either subparagraph (i) or (ii):

(i) Is organized, or in the case of a United States office of a foreign banking organization, is licensed, under federal or state law, is regulated, supervised, and examined by federal or state authorities having regulatory authority over banks and trust companies, and has been determined by the commissioner to meet such standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the commissioner.

(ii) For those institutions that are eligible to act as a fiduciary of a trust, is organized, or in the case of a United States branch or agency office of a foreign banking organization, is licensed, under federal or state law, has been granted authority to operate with fiduciary powers, and is regulated, supervised, and examined by federal or state authorities having regulatory authority over banks and trust companies.

(c) "Reinsurance intermediary" means a reinsurance intermediary-broker or a reinsurance intermediary-manager.

(d) "Reinsurance intermediary-broker" means any person, other than an officer or employee of the ceding insurer, who solicits, negotiates, or places reinsurance cessions or retrocessions on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of that insurer.

(e) "Reinsurance intermediary-manager" means any person who has authority to bind or manages all or part of the assumed reinsurance business of a reinsurer, including the management of a separate division, department, or underwriting office, and acts as an agent for the reinsurer whether known as a reinsurance intermediary-manager, manager, or other similar term. Notwithstanding the above, the following persons are not considered a reinsurance intermediary-manager, with respect to a reinsurer, for the purposes of this chapter:

(i) An employee of the reinsurer.

(ii) A United States manager of the United States branch of an alien reinsurer.

(iii) An underwriting manager that, pursuant to contract, manages all the reinsurance operations of the reinsurer, is under common control with the reinsurer, subject to chapter 13, and whose compensation is not based on the volume of premiums written.

(iv) The manager of a group, association, pool, or organization of insurers that engage in joint underwriting or joint reinsurance and who are subject to examination by the commissioner of the state where the manager's principal office is located.

(f) "Reinsurer" means any person duly authorized in this state pursuant to the applicable provisions of this act as an insurer with the authority to assume reinsurance.

History: Add. 1994, Act 226, Imd. Eff. June 27, 1994.

Popular name: Act 218