

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

500.1311 Merging with or acquiring control of domestic insurer; statement; filing confidential notice of proposed divestiture; notice by person proposing to merge or acquire control of domestic insurer; “domestic insurer” explained.

Sec. 1311.

(1) A person other than the issuer shall not make a tender offer for or a request or invitation for tenders of, or enter into an agreement to exchange securities for, seek to acquire, or acquire, in the open market or otherwise, a voting security of a domestic insurer if, after the consummation thereof, the person directly or indirectly, or by conversion or by exercise of a right to acquire, would be in control of the insurer. A person shall not enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time an offer, request, or invitation is made or an agreement is entered into, or before the acquisition of the securities if no offer or agreement is involved, the person has filed with the director and has sent to the insurer, which has sent to its shareholders, a statement containing the information required by this chapter and the offer, request, invitation, agreement, or acquisition has been approved by the director in the manner prescribed in this chapter.

(2) If a person has not filed a statement under subsection (1), a controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the director, with a copy to the insurer, a confidential notice of its proposed divestiture at least 30 days before the cessation of control. The director shall determine those instances in which the person or persons seeking to divest or to acquire a controlling interest in an insurer are required to file to obtain approval of the transaction. The information must remain confidential until the conclusion of the transaction unless the director determines that confidential treatment will interfere with enforcement of this section.

(3) The person who proposes to enter into an agreement to merge with or otherwise acquire control of a domestic insurer shall file a notice with the director, in a form and containing the information prescribed by applicable rule promulgated or order issued by the director.

(4) For purposes of this section and sections 1312 to 1319, a domestic insurer includes a person controlling a domestic insurer and any foreign insurer whose written insurance premium in this state for each of the most recent 3 years exceeds the premiums written in its state of domicile and whose written premium in this state was 20% or more of its total written premium in each of the most recent 3 years.

History: Add. 1970, Act 136, Imd. Eff. July 29, 1970 ;-- Am. 1990, Act 85, Imd. Eff. May 29, 1990 ;-- Am. 1992, Act 182, Imd. Eff. Oct. 1, 1992 ;-- Am. 1994, Act 227, Imd. Eff. June 27, 1994 ;-- Am. 2010, Act 61, Imd. Eff. Apr. 30, 2010 ;-- Am. 2015, Act 244, Imd. Eff. Dec. 22, 2015

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