

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

500.2129 Exemption from chapter; request; form; continuation of exemption; filing annual reporting form; order discontinuing exemption; requalification for exemption prohibited; ineligible insurers.

Sec. 2129.

(1) Each insurer whose surplus as concerns policyholders as of December 31, 1979 as shown on the annual financial statement filed with the commissioner was \$4,000,000.00 or less shall be exempt from the provisions of this chapter, if the insurer files with the commissioner a written request for such an exemption on or before January 1, 1981 on a form provided by the commissioner.

(2) The exemption granted under this section shall continue indefinitely with respect to an insurer initially qualifying, so long as that insurer experiences no disproportionate growth in premium volume in automobile insurance or home insurance, or changes in the insurer's pattern, location, or contours of that insurance business which indicate that the insurer is utilizing its exemption to take unfair competitive advantage of competing insurers who do not enjoy the benefits of the exemption.

(3) The commissioner shall provide each insurer with a reporting form which shall be filed annually with the commissioner by which the commissioner can monitor each insurer's continued compliance with the standards of business conduct required for the continuation of the exemption.

(4) If the commissioner finds after a hearing held pursuant to Act No. 306 of the Public Acts of 1969, as amended, that an insurer no longer qualifies for the exemption granted under this section, the commissioner shall issue an order to that effect. Beginning 6 months after the date of an order issued under this subsection, the insurer shall be fully subject to all the provisions of this chapter and shall not be permitted to requalify for an exemption under this section.

(5) An exemption under this section shall not be granted to any insurer that directly, or indirectly through 1 or more intermediaries, controls, or is controlled by, or is under common control with the insurer specified whose surplus as concerns policyholders is in excess of the amount stated in subsection (1).

(6) An insurer admitted to do business in this state after January 1, 1981 shall not be eligible to qualify for the exemption granted under this section.

History: Add. 1979, Act 145, Eff. Jan. 1, 1981 ;-- Am. 1980, Act 461, Imd. Eff. Jan. 15, 1981

Popular Name: Act 218

Popular Name: Essential Insurance

Popular Name: No-Fault Insurance