

**SECURITY ALARM SYSTEMS ACT (EXCERPT)**  
**Act 580 of 2012**

**338.2183 System provider; requirements; wrongful act.**

Sec. 3.

(1) A person shall not act as a system provider in this state without first doing both of the following:

(a) Filing a registration statement with the department that meets the requirements of section 4. A person that acts as a system provider in multiple locations in this state is only required to file 1 registration statement with the department.

(b) Meeting 1 of the following:

(i) Providing a bond to the department that is in the principal amount of \$25,000.00; is conditioned on the applicant's or registrant's compliance with this act; is acceptable to the department; and is for the benefit of the residents of this state.

(ii) Providing a policy of insurance to the department, in the amount of \$25,000.00 for property damages, \$100,000.00 for injury to or death of 1 person, and \$200,000.00 for injuries to or deaths of more than 1 person arising out of the operation of the licensed activity, that is issued by an insurer authorized to do business in this state and names the applicant or registrant and the state as coinsureds.

(iii) Demonstrating to the department that the applicant or registrant, or an affiliate of the applicant or registrant, is licensed as a basic local exchange provider under the Michigan telecommunications act, 1991 PA 179, MCL 484.2101 to 484.2603.

(iv) Demonstrating to the department that the applicant or registrant, or an affiliate of the applicant or registrant, has annual revenue of \$10,000,000.00 or more.

(2) An individual injured by the willful, malicious, and wrongful act of an applicant or registrant, or any agent or employee of an applicant or registrant, may bring an action on a bond or insurance policy provided under subsection (1)(b) in his or her own name to recover damages suffered by reason of the wrongful act.

**History:** 2012, Act 580, Imd. Eff. Jan. 2, 2013