

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

500.436b Certificate of authority limited by order of commissioner.

Sec. 436b.

If the commissioner finds on the basis of appropriate investigation and public hearings that a type of insurance or a subset of a type of insurance or of other contracts entered into by insurers authorized to do business in this state present a degree of risk or hazard to the insurer not adequately taken into account by insurance accounting techniques or normal methods of measuring insurance or other contractual risk, the commissioner may conclude that only those authorized insurers possessed of a sufficient degree of financial strength, measured by relevant methods, techniques, analysis, rating systems, and other appropriate financial standards uniformly applied, may engage with safety to policyholders, creditors, or the public in assuming obligations of such a type or subset of a type of insurance or other contracts. In these circumstances, the commissioner may limit by appropriate order the certificate of authority of an insurer that does not possess such a sufficient degree of financial strength so as to preclude prospectively the authority of the insurer to engage in assuming obligations in this state of such a type or subset of a type of insurance or other contracts.

History: Add. 1992, Act 182, Imd. Eff. Oct. 1, 1992

Popular Name: Act 218