

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

**500.3310 Board of governors of facility; election and appointment of governors; representation of insurance agents and general public; terms; vacancies; adoption of plan of operation by facility committee; approval of plan; amendments and adherence to plan.**

Sec. 3310.

(1) The board of governors of the facility shall consist of 11 governors. Seven of the governors shall be elected as provided in the plan of operation. Four governors shall be appointed by the commissioner, of which 2 shall represent insurance agents subject to section 1209(1) and 2 shall represent the general public. Each governor appointed by the commissioner pursuant to this subsection shall serve an annual term. The 7 elected members of the board of governors of the facility shall be elected to serve annual terms commencing within 45 days after the annual determination of participation ratios. Vacancies shall be filled as provided for in the plan of operation.

(2) The facility committee shall adopt a plan of operation by majority vote of the committee and shall submit it to the commissioner for his or her approval. If the commissioner finds that the plan meets the requirements of this chapter, he or she shall approve it. If the commissioner finds that the plan fails to meet the requirements of this chapter, he or she shall state in what respects the plan is deficient and shall afford the facility committee 10 days within which to correct the deficiency. If the commissioner and the facility committee fail to agree that the provisions of the plan so submitted meet the requirements of this chapter, either party to the controversy may submit the issue to the circuit court for Ingham county for a determination. If the commissioner fails to render a written decision on the plan of operation within 30 days after receipt of the plan, the plan shall be considered approved.

(3) Amendments to the plan of operation shall be subject to majority approval by the board of governors and ratified by majority of the membership vote. The membership vote shall be determined as defined in section 3303(e) (iii). Amendments to the plan of operation shall be subject to the approval of the commissioner, as provided in subsection (2).

(4) Every insurer authorized to write automobile insurance in this state shall adhere to the plan of operation.

**History:** Add. 1969, Act 346, Eff. Apr. 1, 1970 ;-- Am. 1979, Act 145, Eff. Jan. 1, 1981 ;-- Am. 1980, Act 461, Imd. Eff. Jan. 15, 1981 ;-- Am. 1984, Act 367, Imd. Eff. Dec. 27, 1984 ;-- Am. 1986, Act 10, Imd. Eff. Feb. 28, 1986 ;-- Am. 2001, Act 228, Eff. Mar. 1, 2002

**Popular Name:** Act 218

**Popular Name:** Essential Insurance