

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

500.6510 Commencement of business; pool not subject to MCL 500.410.

Sec. 6510.

(1) A limited liability pool shall not commence business under this chapter until all of the following are met:

(a) The pool has procured bona fide applications for insurance together with the first premium in cash from at least 50 eligible persons for the business or class of businesses or profession or class of professions as defined in section 6506 which the pool undertakes to write.

(b) The secretary and treasurer have given good and sufficient bonds, approved by the commissioner, to the pool to be held by the president of the pool, for the faithful performance of their duties, which bonds shall each be in an amount at least twice the amount of money liable to come into the hands of such officer at any 1 time.

(c) The pool has accrued a contingency reserve deposit as defined and described in section 6534.

(d) The pool has met the insurer requirements provided in section 411.

(e) The commissioner, after receipt of satisfactory proof as to compliance with these and such other requirements as he or she considers essential, has issued a certificate of authority to the pool.

(2) A limited liability pool formed under this chapter shall not be subject to the requirement provided in section 410.

History: Add. 1986, Act 173, Imd. Eff. July 7, 1986

Popular Name: Act 218