

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

500.4637 Limited certificate of authority; suspension or revocation; findings; best interest of public and policyholders.

Sec. 4637.

(1) The limited certificate of authority of a captive insurance company to conduct an insurance business in this state may be suspended or revoked by the commissioner for any of the following:

- (a) Insolvency or impairment of capital or retained earnings.
 - (b) Failure to meet the requirements of section 4611.
 - (c) Refusal or failure to submit an annual report, as required by section 4621, or any other report or statement required by law or by order of the commissioner.
 - (d) Failure to comply with its own charter, bylaws, or other organizational document.
 - (e) Failure to submit to examination or any legal obligation relative to an examination, as required by section 4625.
 - (f) Refusal or failure to pay the cost of examination as required by section 4625.
 - (g) The company is no longer safe, reliable, or entitled to public confidence or is unsound, or is using financial methods and practices in the conduct of its business that render further transaction of insurance by the company in this state hazardous to policyholders, creditors, or the public.
 - (h) The certificate of authority or equivalent authorization of a branch captive insurance company has been suspended or revoked in the jurisdiction in which the company was formed.
 - (i) For a captive insurer formed as a limited liability company, the captive insurer is no longer in good standing under the Michigan limited liability company act, 1993 PA 23, MCL 450.4101 to 450.5200.
 - (j) The company has failed, after written request by the commissioner, to remove or discharge an officer or director whose record of business conduct does not satisfy the requirements of section 4603 or who has been convicted of any crime involving fraud, dishonesty, or like moral turpitude.
 - (k) The company has failed, within 30 days after notice of delinquency from the commissioner, to cure its failure to pay taxes, fees, assessments, or expenses required by this act.
 - (l) The captive insurance company has failed for an unreasonable period to pay any final judgment rendered against it in this state on any policy, bond, recognizance, or undertaking issued or guaranteed by it.
 - (m) Failure otherwise to comply with the laws of this state.
- (2) If the commissioner finds, upon examination, hearing, or other evidence, that a captive insurance company has committed any of the acts specified in subsection (1), the commissioner may suspend or revoke the captive insurance company's limited certificate of authority if the commissioner considers it in the best interest of the public and the policyholders of the captive insurance company, notwithstanding any other provision of this act.

History: Add. 2008, Act 29, Imd. Eff. Mar. 13, 2008

Popular Name: Act 218