

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2567 Purchase and maintenance of insurance on behalf of director, officer, employee, nondirector volunteer, or agent.

Sec. 567.

(1) A corporation may purchase and maintain insurance on behalf of any person that is or was a director, officer, employee, nondirector volunteer, or agent of the corporation, or that is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, foreign or domestic business corporation, limited liability company, partnership, joint venture, trust, or other enterprise for profit or nonprofit against any liability asserted against the person and incurred by the person in that capacity or arising out of the person's status as such, whether or not the corporation has the power to indemnify the person against liability under sections 561 to 565.

(2) If the articles of incorporation include a provision that eliminates or limits the liability of a director under section 209(1)(c), the corporation may purchase insurance on behalf of a director under subsection (1) from an insurer owned by the corporation, but insurance purchased from that insurer may insure a director against monetary liability to the corporation or its shareholders or members only to the extent to which the corporation could indemnify the director under section 564a(5).

History: 1982, Act 162, Eff. Jan. 1, 1983 ;-- Am. 1993, Act 129, Imd. Eff. July 22, 1993 ;-- Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015