

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

500.7702 Purpose and construction of chapter.

Sec. 7702.

(1) The purpose of this chapter is to protect, subject to certain limitations, persons specified in section 7704(1) against failure in the performance of contractual obligations under insurance policies and annuity contracts specified in section 7704(2) because of the impairment or insolvency of the insurer issuing the policies or contracts. To provide this protection:

(a) An association of insurers is created to enable the guaranty of payment of benefits and continuation of coverages as limited in this chapter.

(b) Members of the association are subject to assessment to provide funds to carry out the purpose of this chapter.

(c) The association is authorized to assist the commissioner, in the prescribed manner, in the detection and prevention of insurer impairments or insolvencies.

(2) This chapter shall be construed to execute the purposes provided in subsection (1).

History: Add. 1982, Act 194, Imd. Eff. June 28, 1982 ;-- Am. 1982, Act 501, Imd. Eff. Dec. 31, 1982 ;-- Am. 1989, Act 302, Imd. Eff. Jan. 3, 1990 ;-- Am. 2006, Act 671, Imd. Eff. Jan. 10, 2007

Compiler's Notes: Enacting section 1(1) of Act 671 of 2006 provides: "Enacting section 1. (1) Sections 7702, 7704, 7705, 7706, 7707, 7708, 7709, 7711, 7712, 7714, and 7717 of the insurance code of 1956, 1956 PA 218, MCL 500.7702, 500.7704, 500.7705, 500.7706, 500.7707, 500.7708, 500.7709, 500.7711, 500.7712, 500.7714, and 500.7717, as amended by this amendatory act, apply to an insurer impairment or insurer insolvency proceeding commenced on or after the effective date of this amendatory act for which guaranty association coverage obligations are incurred."

Popular Name: Act 218