

INDEMNIFICATION RESERVE FUND (EXCERPT)
Act 315 of 1977

390.1127 State payment of excess loss of university; qualifications; indemnification reserve fund; compliance with MCL 500.100 to 500.8302.

Sec. 7. (1) To qualify for state payment of excess loss, a university shall develop and implement a risk management system, which shall be filed with and approved by the state insurance bureau, and shall establish and maintain an indemnification reserve fund.

(2) The indemnification reserve fund may consist of 2 components:

(a) Available funds or other evidence of financial obligation from third party reimbursers.

(b) Funds from the university. The university shall fund its portion of the indemnification reserve fund at a rate necessary to fully fund the annual expected loss for the current accident year as determined by the risk management system.

(3) By participating in the fund, the university shall not be relieved of complying with the requirements of Act No. 218 of the Public Acts of 1956, as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978.