

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

500.134 Validity of certificate of authority or license in force prior to January 1, 1957; validity of plan of operation and premium or assessment; association or facility not state agency and money thereof not state money; records exempt from disclosure; premium or assessment not burden under MCL 500.476a; "association or facility" defined.

Sec. 134. (1) Every certificate of authority or license in force immediately prior to January 1, 1957 and existing under any act repealed by this act is valid until its original expiration date, unless earlier terminated in accordance with this act.

(2) Any plan of operation adopted by an association or facility, and any premium or assessment levied against an insurer member of that association or facility, is hereby validated retroactively to the date of its original adoption or levy and shall continue in force and effect according to the terms of the plan of operation, premium, or assessment until otherwise changed by the commissioner or the board of directors of the association or facility pursuant to this act.

(3) An association or facility or the board of directors of the association or facility is not a state agency and the money of an association or facility is not state money.

(4) A record of an association or facility shall be exempted from disclosure pursuant to section 13 of the freedom of information act, Act No. 442 of the Public Acts of 1976, being section 15.243 of the Michigan Compiled Laws.

(5) Any premium or assessment levied by an association or facility, or any premium or assessment of a similar association or facility formed under a law in force outside this state, is not a burden or special burden for purposes of a calculation under section 476a, and any premium or assessment paid to an association or facility shall not be included in determining the aggregate amount a foreign insurer pays to the commissioner under section 476a.

(6) As used in this section, "association or facility" means an association of insurers created under this act and any other association or facility formed under this act as a nonprofit organization of insurer members, including, but not limited to, the following:

- (a) The Michigan worker's compensation placement facility created under chapter 23.
- (b) The Michigan basic property insurance association created under section 29.
- (c) The catastrophic claims association created under chapter 31.
- (d) The Michigan automobile insurance placement facility created under chapter 33.
- (e) The Michigan life and health insurance guaranty association created under chapter 77.
- (f) The property and casualty guaranty association created under chapter 79.
- (g) The assigned claims facility created under section 3171.

History: 1956, Act 218, Eff. Jan. 1, 1957;—Am. 1988, Act 349, Imd. Eff. Nov. 15, 1988;—Am. 1990, Act 256, Imd. Eff. Oct. 15, 1990.

Compiler's note: Section 2 of Act 349 of 1988 provides:

The amendment to section 134 of Act No. 218 of the Public Acts of 1956, being section 500.134 of the Michigan Compiled Laws, pursuant to this amendatory act is intended to codify, approve, and validate the actions and long-standing practices taken by the associations and facilities mentioned in this amendatory act retroactively to the time of their original creation. It is the intent of this amendatory act to rectify the misconstruction of the applicability of the administrative procedures act of 1969 by the court of appeals in *League General Insurance Company v Catastrophic Claims Association*, Case No. 93744, December 21, 1987, with respect to the imposition of rule promulgation requirements on the catastrophic claims association as a state agency, and to further assure that the associations and facilities mentioned in this amendatory act, and their respective boards of directors, shall not hereafter be treated as a state agency or public body."

Popular name: Act 218

Popular name: Essential Insurance