

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

**500.2842 Average or pro rata clause; form; filing and approval.**

Sec. 2842. (1) An insurer authorized to do business within this state may attach to an existing policy or to one to be issued by the insurer an average or pro rata clause.

(2) The average or pro rata clause shall be made substantially in the following form:

"It is hereby agreed, in case of loss, this policy shall attach in or on each building, division, or location in such proportion as the values in or on the buildings, division, or location bear to the aggregate value of the property insured."

(3) It shall not be necessary for all average or pro rata rider clauses to be in the exact language used in subsection (2), but such clause shall not be attached to a policy unless the form of the clause was filed with and received the approval of the commissioner.

**History:** 1956, Act 218, Eff. Jan. 1, 1957;—Am. 1962, Act 71, Eff. Mar. 28, 1963;—Am. 1990, Act 305, Imd. Eff. Dec. 14, 1990.

**Popular name:** Act 218