

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

500.3432 Change of occupation; optional provision.

Sec. 3432. An insurer may include in a disability insurance policy, other than a health insurance policy, a provision as follows:

CHANGE OF OCCUPATION: If the insured is injured or contracts an illness after changing his or her occupation to 1 classified by the insurer as more hazardous than the occupation stated in this policy or while doing for compensation anything pertaining to an occupation classified as more hazardous, the insurer will pay only the portion of the indemnities provided in this policy that the premium paid would have purchased at the rates and within the limits fixed by the insurer for the more hazardous occupation. If the insured changes his or her occupation to 1 classified by the insurer as less hazardous than that stated in this policy, the insurer, upon receipt of proof of the change of occupation, will reduce the premium rate accordingly, and will return the excess pro rata unearned premium from the date of change of occupation or from the policy anniversary date immediately preceding receipt of the proof, whichever is the more recent. In applying this provision, the classification of occupational risk and the premium rates must be those that were last filed by the insurer before the occurrence of the loss for which the insurer is liable or before the date of proof of change in the occupation with the state official that supervises insurance in the state where the insured resided at the time this policy was issued. However, if that filing was not required in that state, the classification of occupational risk and the premium rates must be those last made effective by the insurer in that state before the occurrence of the loss or before the date of proof of change in the occupation.

History: 1956, Act 218, Eff. Jan. 1, 1957;—Am. 2016, Act 276, Imd. Eff. July 1, 2016.

Popular name: Act 218