

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

500.4070 Insurance and annuities on same life; automatic conversion of deferred annuity into paid-up annuity.

Sec. 4070. (1) Contracts may be issued in this state providing for both insurance and annuities on the same life, and sections 4008 to 4036 (standard provisions), 4042 (limitation of liability), 4046 (prohibited provisions), 4204 to 4238, 4242, and 4244 shall apply only to that part of the contracts providing for insurance.

(2) Except a contract subject to section 4060 (standard nonforfeiture law for life insurance) or section 4072 (standard nonforfeiture law for individual deferred annuities), every contract prescribed in subsection (1) providing for a deferred annuity on the life of the insured only, or a deferred annuity issued on a single life, unless paid for by a single premium, shall provide that in the event of the nonpayment of a premium after 3 full years of premiums have been paid, the annuity shall automatically become converted into a paid-up annuity for the proportion of the original annuity as the number of completed years of premiums paid bears to the total number of premiums required under the contract.

History: 1956, Act 218, Eff. Jan. 1, 1957;—Am. 1980, Act 58, Eff. Oct. 1, 1980.

Popular name: Act 218