

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

500.6534 Contingency reserve; deposit with state treasurer; use of deposit.

Sec. 6534. Every pool subject to this chapter shall maintain a contingency reserve at all times at least equal to $\frac{2}{7}$ of the total premium income for the preceding calendar year but not less than \$300,000.00 and shall maintain a deposit with the state treasurer of the kind and amount and for the purposes specified in section 411. The deposit with the state treasurer may be used by the pool for purposes of calculating the contingency reserve. This contingency reserve shall be in addition to the ordinary reserves maintained for unpaid losses and loss adjustment expenses, including those claims which have been incurred but not reported and the reserve required under section 6532.

History: Add. 1986, Act 173, Imd. Eff. July 7, 1986;—Am. 1990, Act 350, Imd. Eff. Dec. 26, 1990.

Popular name: Act 218