

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

500.6540 Assessment of member.

Sec. 6540. Every policy issued or delivered in this state by any pool subject to this chapter shall set forth on the first page thereof, in addition to the regular specified premiums, the fact that the member is liable to be assessed to the extent needed to pay that member's proportional share of claims and expenses, and to maintain the reserves required by this chapter. However, in no event shall a member be liable for an assessment under this section which is greater than the annual premium expressed in the policy. An assessment shall not be levied against any member except upon due notice to the member. If any member shall fail to pay the assessment in cash within 30 days after notice, the assessment shall become a lien upon his or her policy. Whenever an assessment becomes a lien upon a policy, the policy shall become void without further action and no further liability shall attach to the pool. An assessment shall not be made until the method of determining and spreading the assessment has been approved by the commissioner. The commissioner may authorize the prosecution of suits to collect assessments when he or she deems that action equitable and practicable.

History: Add. 1986, Act 173, Imd. Eff. July 7, 1986.

Popular name: Act 218