

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

**500.7080 Multiple employer welfare arrangement security fund; creation; administration; use; appointment, qualifications, terms, and compensation of board of trustees; powers of board of trustees; payment of and accounting for expenses.**

Sec. 7080. (1) A multiple employer welfare arrangement security fund is created within the state treasury. The fund shall be administered by a board of trustees and shall be used solely to pay and discharge covered claims against insolvent MEWAs authorized to do business in this state.

(2) The board of trustees of the fund shall consist of 3 members. The commissioner shall be an ex officio member and the remaining 2 members shall be representatives of authorized MEWAs, who shall be appointed by the governor with the advice and consent of the senate. The 2 appointive members shall serve terms of 4 years and shall serve without compensation, except for actual and necessary expenses.

(3) The board may:

(a) If a MEWA becomes insolvent, appoint a person to act as a fund administrator. The fund administrator shall:

(i) Supervise disbursements for covered claims of the insolvent MEWA.

(ii) Request payments from the fund for covered claims.

(iii) Perform such other duties as are designated by the board.

(b) Authorize payments from the fund for covered claims upon request to the fund administrator by a covered employee or dependent who is a Michigan resident and who is receiving or is entitled to receive benefits from an insolvent MEWA that is unable to continue paying benefits. All payments from the fund shall be determined by the board and made upon an order signed by a trustee.

(c) Promulgate rules as it deems necessary to carry out the purposes of the fund pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(d) Maintain records, institute systems and procedures, and take any other administrative action as it deems necessary to carry out the purposes of the fund.

(e) Secure legal advice and be represented by the attorney general or any assistant designated by him or her in any matter involving the affairs of the fund.

(4) All expenses authorized by the board for the proper administration of the fund, including, but not limited to, the salary and expenses of the fund administrator and the investigation, determination, and defense of claims against the fund shall be borne by and paid from the assets of the fund. All expenses incurred and charged to the fund shall be accounted for on a fiscal year basis.

**History:** Add. 1986, Act 121, Eff. July 1, 1986.

**Compiler's note:** For transfer of position of commissioner of office of financial and insurance regulation as member or chairperson of board or commission to director of department of insurance and financial services, see E.R.O. No. 2013-1, compiled at MCL 550.991.

**Popular name:** Act 218