

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

500.7084 Assessments; purpose; limitation; notice; payment; assessments as elements of loss for purpose of establishing rates; liability of employer ceasing to participate in MEWA; certification of collection and receipt of money from assessments; noting delinquencies; collection of delinquent assessment; transfer of money to state treasurer; treasurer or custodian of fund; investments; crediting earnings from investment.

Sec. 7084. (1) To the extent necessary for payment of covered claims and for payments of reasonable costs of administering the fund, the commissioner shall assess upon and collect from each MEWA an amount which is in the proportion that the benefits the MEWA paid to Michigan employees and their dependents in the preceding calendar year bears to the total benefits paid by all authorized MEWAs to Michigan employees and dependents in the preceding calendar year. The commissioner, upon the advice of the trustees, may make additional assessments as the board considers necessary to keep the security fund solvent. The total assessment under this section shall not exceed 2% of benefits the MEWA paid on behalf of the Michigan employees and their dependents in any calendar year. Assessments shall not be collected until a MEWA's insolvency necessitates a payment from the fund.

(2) Notice of the assessments shall be sent by the commissioner by registered mail to each MEWA. Payment of assessments shall be made so as to be received in the office of the commissioner on or before a date specified uniformly in the notice, but not less than 90 days after the date of mailing.

(3) Assessments under this section shall constitute elements of loss for the purpose of establishing rates.

(4) If an employer ceases to participate in a MEWA, the employer shall continue to be liable to the MEWA for the security fund assessment for any benefits paid by the MEWA to Michigan employees and their dependents during the previous calendar year.

(5) The commissioner shall certify to the trustees the collection and receipt of all money from assessments, noting any delinquencies. The board shall take such action as in its judgment is proper to effect collection of any delinquent assessment. All money received from assessments pursuant to this section shall be transferred to the state treasurer who shall be the custodian of the fund. The treasurer may make those investments as in the treasurer's judgment are in the best interest of the fund. The earnings from the investment of the money from the fund shall be credited to the fund.

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

Popular name: Act 218