

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

**500.7935 Cooperation of insured with association; assignment of rights; indemnification from catastrophic claims association; options.**

Sec. 7935. (1) Each insured entitled to the protection of this chapter shall cooperate with the association in accordance with the insured's policy in the same manner as the insured would have been required to cooperate with his or her insurer if it were not in receivership. Each insured shall be considered to have assigned to the association any right to make claim against the receiver for a refund of unearned premium for the period of coverage provided by the association beginning on the date of receivership.

(2) An insured or claimant entitled to the benefits of this chapter shall be considered to have assigned to the association, to the extent of any payment received from the association, his or her rights against the estate of the insolvent insurer, rights under the policy under which his or her claim arose, and any other rights the insured or claimant may have against another person for payment of the covered claim paid by the association.

(3) The association shall be entitled to receive, to the extent of the amount paid or payable by the association by reason of a covered claim, any amount recoverable by the receiver or the insolvent insurer by way of right of indemnification from the catastrophic claims association created in section 3104.

(4) The association shall be entitled to any option to take possession of, right of salvage in, or other right to proceeds from the sale or disposition of insured property which is the subject matter of a covered claim, to which the insolvent insurer would have been entitled had it paid the claim.

**History:** Add. 1969, Act 277, Imd. Eff. Aug. 11, 1969;—Am. 1980, Act 41, Imd. Eff. Mar. 17, 1980.

**Popular name:** Act 218