

STATE INSURANCE (EXCERPT)
Act 388 of 1913

550.701 Insurance of state property; determination; approval; bids; purchase of deductible or catastrophe insurance; payment of premiums.

Sec. 1. (1) An officer or agent of this state or a person or persons having charge of a state owned and state used building or property of the state shall not pay out any public moneys or funds on account of an insurance against loss by fire, lightning, windstorm, explosion, riot, riot attending a strike, civil commotion, falling aircraft, hail, except this does not apply to growing crops, and smoke, caused from faulty operation of a heating plant using oil or gas fuel, or shall not in any manner contract for or incur an indebtedness against the state on account of an insurance upon any of the buildings, furniture, fixtures, or property of any kind belonging to the state, or against liability arising or that may arise under Act No. 317 of the Public Acts of 1969, as amended, being sections 418.101 to 418.941 of the Michigan Compiled Laws, except in a manner provided in this act. If a state agency which has charge of the property determines that state owned properties in a single building represent an abnormal concentration of values, or are without adequate fire protection, or are highly combustible or highly inflammable, the director of the department of management and budget, after review, approval, or modification of the determination by the state agency, and after approval by the state administrative board, shall arrange for the insurance of the property against the perils named in this section in companies authorized to operate in the state.

(2) The state administrative board, after an investigation as it considers necessary, may direct the director of the department of management and budget to call for bids and purchase deductible or catastrophe fire, lightning, windstorm, explosion, riot, riot attending a strike, civil commotion, falling aircraft, hail, and smoke insurance, covering any or all state property, with insurance companies duly authorized to do business in this state. An amount sufficient to pay the premiums on all insurance authorized to be purchased from private companies under this section is appropriated from the applicable fund.

History: 1913, Act 388, Eff. Aug. 14, 1913;—CL 1915, 9268;—CL 1929, 12680;—Am. 1945, Act 314, Imd. Eff. May 25, 1945;—Am. 1946, 1st Ex. Sess., Act 28, Imd. Eff. Feb. 26, 1946;—Am. 1947, Act 173, Eff. Oct. 11, 1947;—Am. 1948, 1st Ex. Sess., Act 40, Imd. Eff. May 10, 1948;—CL 1948, 550.701;—Am. 1951, Act 197, Imd. Eff. June 8, 1951;—Am. 1965, Act 365, Imd. Eff. July 23, 1965;—Am. 1980, Act 94, Imd. Eff. Apr. 16, 1980.

Compiler's note: For transfer of the Department of Insurance and Office of the Commissioner on Insurance from the Department of Licensing and Regulation to the Department of Commerce, see E.R.O. No. 1991-9, compiled at MCL 338.3501 of the Michigan Compiled Laws.

For transfer of authority, powers, duties, functions, and responsibilities of the insurance bureau and the commissioner of insurance to the commissioner of the office of financial and insurance services and the office of financial and insurance services, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.