

SAVINGS AND LOAN ACT OF 1980 (EXCERPT)
Act 307 of 1980

491.462 Indemnification of party to action by or in right of association; effect of negligence or misconduct.

Sec. 462. An association may indemnify a person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action by or in the right of the association to procure a judgment in the association's favor by reason of the fact that the person is or was a director, officer, employee, or agent of the association, or is or was serving at the request of the association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by the person in connection with the defense or settlement of the action if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the association or its members. Indemnification shall not be made in respect of a claim, issue, or matter as to which the person has been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the association unless and only to the extent that the court in which the action was brought determines upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the court considers proper.

History: 1980, Act 307, Eff. Jan. 1, 1981.