

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

500.1607 Dates on which insurance effective or terminated.

Sec. 1607.

- (1) Creditor-placed insurance shall become effective on the latest of the following dates:
 - (a) The date of the credit transaction.
 - (b) The date prior coverage, including prior creditor-placed insurance coverage, lapsed.
 - (c) One year before the date on which the related insurance charge is made to the debtor's account.
 - (d) A later date provided for in the agreement between the creditor and insurer.
- (2) Creditor-placed insurance shall terminate on the earliest of the following dates:
 - (a) The date other acceptable insurance becomes effective, subject to the debtor providing acceptable evidence of the other insurance to the creditor.
 - (b) The date the collateralized personal property is repossessed, unless the property is returned to the debtor within 10 days of the repossession.
 - (c) The date the collateralized personal property is determined by the insurer to be a total loss.
 - (d) The date the debt is completely extinguished.
 - (e) An earlier date specified in the individual policy or certificate of insurance.
- (3) An insurance charge shall not be made to a debtor for a term longer than the scheduled term of the creditor-placed insurance when it becomes effective, and an insurance charge shall not be made to the debtor for creditor-placed insurance before the effective date of the insurance.
- (4) If a charge is made to a debtor for creditor-placed insurance coverage that exceeds a term of 1 year, the debtor shall be notified at least annually that the insurance will be canceled and a refund or credit of unearned charges made if evidence of acceptable insurance secured by the debtor is provided.

History: Add. 2002, Act 655, Eff. Mar. 23, 2003

Popular Name: Act 218