

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

**500.2920 Michigan basic property insurance association or pool; membership; plan of operation and amendments to plan; approval; compliance; designation of members as servicing facilities; reimbursement and authority of facility; rules; rights and liabilities of pool.**

Sec. 2920.

(1) To implement the provisions of this chapter, there shall be maintained within this state, by all insurers authorized to transact in this state any of the kinds of insurance included in the definition of assessable premiums for basic property insurance and included in the definition of assessable premiums for home insurance, as those definitions are set forth in section 2901, other than insurers transacting insurance exclusively under chapter 68, an association of insurers to be known as the "Michigan basic property insurance association", hereafter referred to as the "pool". Every insurer described in this subsection shall be a member of the pool, as a condition of its authority to continue to transact insurance in this state.

(2) The pool shall adopt a plan of operation and any amendments to the plan, not inconsistent with this chapter, necessary to assure the fair, reasonable, equitable, and nondiscriminatory manner of administering the pool, including compliance with chapter 21, and to provide for any other matters as are necessary or advisable to implement this chapter. The plan of operation and any amendments to the plan shall be subject to prior written approval by the commissioner. All members of the pool shall comply with the plan of operation.

(3) In accordance with its plan of operation the pool may designate 1 or more of its members as servicing facilities. Each facility shall be reimbursed for its expenses and shall have the authority to issue policies and to perform any functions of the pool that the governors lawfully may delegate to it. The designation of facilities shall be subject to the approval of the commissioner. This section does not authorize an insurer to transact insurance which it is not otherwise authorized by law to transact.

(4) If for any reason the pool fails to adopt suitable needed amendments to the plan, the commissioner shall adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of this chapter, which rules shall continue in force until modified by the commissioner or superseded by a plan of operation adopted by the pool and approved by the commissioner.

(5) The pool, either in its own name or through servicing facilities, may be sued and may use the courts to assert or defend any rights it may have under any policy of insurance or reinsurance issued in its name or by virtue of this chapter as reasonably necessary fully to effectuate the provisions of this chapter. A judgment against the pool shall not create any liabilities in the individual members of the pool except those provided in this chapter.

**History:** Add. 1968, Act 262, Eff. Aug. 1, 1968 ;-- Am. 1971, Act 74, Eff. Aug. 1, 1971 ;-- Am. 1979, Act 145, Eff. Mar. 1, 1980

**Popular Name:** Act 218

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