

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

500.2925 Application to pool for basic property insurance; form; findings; issuance of policy; reinsuring policies; statement required if risk found not acceptable; term of policy; renewal of policy; waiver of inspection; issuance and term of binders.

Sec. 2925.

(1) Any person who has an insurable interest in real or tangible personal property at fixed locations may apply to the pool for basic property insurance. The form of the application shall be prescribed by the commissioner.

(2) If the pool finds that: (a) the property has been inspected by the inspection bureau within the preceding 6 months; (b) the applicant made a good faith, diligent effort to obtain the same type of insurance through established channels in the insurance market provided by authorized insurers in this state appropriate to the nature, character, and value of the property; (c) there is no unpaid premium with respect to prior insurance on the property; and (d) the property constitutes qualified property and is an acceptable risk under the standards of the pool, then the pool in its own name, or a servicing facility in its own name, upon receipt of the premium, shall issue a policy for the applied for insurance. Policies issued in the name of a servicing facility may be reinsured by the pool.

(3) If the pool finds that the property is not an acceptable risk, the applicant shall be entitled to a written statement setting forth the features of the property or conditions which prevent it from constituting an acceptable risk and the measures which must be taken in order to make the property an acceptable risk.

(4) Policies issued by the pool or a servicing facility shall have a term of 1 year.

(5) Policies issued by the pool or a servicing facility may be renewed upon property otherwise meeting the conditions of this chapter for 2 consecutive successive terms without additional inspection, if the pool waives the inspection.

(6) The pool, upon receipt of an appropriate premium, may cause the issuance of binders for the applied for insurance for a period not exceeding 60 days upon property which at the time of issuance of the binders has not complied with all the applicable conditions of 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

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