

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

500.3011 Loss or damage caused by fire or explosion to insured building; failure or refusal to submit report to fire or law enforcement authority; withholding payments; list of cities, villages, and townships applying section to insurance companies; addition or deletion to list; liability.

Sec. 3011.

(1) Notwithstanding any other provision of this act, an insurer of a building or other structure or of personal property located on real property shall not make any further payments to an insured on a claim of \$2,000.00 or more for loss or damage caused by a fire or explosion to the insured building, other structure, or personal property if the insurer receives written notice from the fire or law enforcement authority that the insured failed or refused to submit the report described in subsection (2) within 21 days after the insured received a written demand to provide the report from the fire or law enforcement authority. Payments to an insured that have been withheld under this section may resume or commence if the insurer receives a copy of the requested report signed by the insured or receives notice that the requested signed report has been submitted to the fire or law enforcement authority.

(2) If an insured building or other structure suffers loss or damage caused by fire or explosion, the insured shall submit to the fire or law enforcement authority designated by the city, village, or township a report prescribed by the department in conjunction with the bureau of fire services created in section 1b of the fire prevention code, 1941 PA 207, MCL 29.1b, that requires information concerning the building or structure fire or explosion.

(3) This section applies only if the fire or law enforcement authority responsible for investigating the fire or explosion is located in a city, village, or township described in subsection (7) and if the city, village, or township, acting under a resolution by its governing body, notifies the director in writing of both of the following:

(a) That the city, village, or township has elected to receive the reports prepared under subsection (2).

(b) The name and address of the fire or law enforcement authority designated by the city, village, or township to receive reports prepared under subsection (2).

(4) The director shall prepare and distribute a list of all cities, villages, and townships that have elected to apply this section to all insurance companies transacting insurance that provides coverage for loss by fire to buildings or other structures in this state.

(5) A city, village, or township may be added to the list prepared under subsection (4) by submitting a written request containing the information required under subsection (3) to the director. If a written request is received, the director shall prepare and distribute an amended list indicating the addition. The addition is effective on the date specified by the director in the amended list. The director shall notify the city, village, township, and all insurers that issue policies in this state that provide coverage for loss by fire to buildings or other structures of the effective date of an addition, which must be not less than 30 days after receipt of the notice by the insurance company. This section does not apply to any loss that occurred before the effective date of the addition.

(6) A city, village, or township may request to be deleted from the list prepared under subsection (4) or may cease to apply this section for a period of not less than 6 months on not less than 30 days' written notice to the director. After receipt of a request to be deleted from the list, the director shall prepare and distribute an amendment to the list indicating the deletion. The deletion is effective on the date specified by the director in the amendment. The director shall notify the city, village, township, and all insurers that issue policies in this state that provide coverage for loss by fire to buildings or other structures of the effective date of a deletion, which must be effective not less than 30 days after receipt of the notice by the insurance company. A city, village, or township shall continue to apply this section to any loss that occurred before the effective date of the deletion, notwithstanding the deletion.

(7) A city, village, or township may elect to apply this section as provided in subsection (3) and as follows:

(a) If the city, village, or township is located in a county with a population of 425,000 or more.

(b) If the city, village, or township is located in a county with a population of less than 425,000 and the city, village, or township has a population of 50,000 or more.

(8) An insurer or an agent or employee of an insurer is not liable for damages for withholding money in compliance with this section.

History: Add. 2016, Act 511, Eff. Apr. 9, 2017