

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

**500.3418 Payment of claims; provision required.**

Sec. 3418.

(1) Except as otherwise provided in subsection (2), an insurer shall include in a disability insurance policy, other than a health insurance policy, a provision as follows:

PAYMENT OF CLAIMS: Indemnity for loss of life will be payable in accordance with the beneficiary designation and the provisions respecting the payment, which may be prescribed in this policy, and effective at the time of payment. If a designation or provision is not in effect, the indemnity is payable to the estate of the insured. Other accrued indemnities unpaid at the insured's death may, at the option of the insurer, be paid either to the beneficiary or to the estate. All other indemnities are payable to the insured.

(2) One or more of the following provisions may be included with the provision required under subsection (1) at the option of the insurer:

(a) If indemnity under this policy is payable to the estate of the insured, or to an insured or beneficiary who is a minor or otherwise not competent to give a valid release, the insurer may pay the indemnity, up to an amount that does not exceed \$..... (insert an amount that does not exceed \$1,000.00), to any relative by blood or connection by marriage of the insured or beneficiary who is determined by the insurer to be equitably entitled to the indemnity. Payment made by the insurer in good faith pursuant to this provision fully discharges the insurer to the extent of the payment.

(b) Subject to any written direction of the insured in the application or otherwise, all or a portion of any indemnities provided by this policy on account of health care services may, at the insurer's option and unless the insured requests otherwise in writing not later than the time of filing proofs of the loss, be paid directly to the hospital or person rendering the health care services.

**History:** 1956, Act 218, Eff. Jan. 1, 1957 ;-- Am. 1984, Act 280, Imd. Eff. Dec. 20, 1984 ;-- Am. 2016, Act 276, Imd. Eff. July 1, 2016  
**Popular Name:** Act 218