

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

500.8137 Contingent claims; discounting claims at legal rate of interest; claims made under employment contracts.

Sec. 8137.

(1) The claim of a third party which is contingent only on his or her first obtaining a judgment against the insured shall be considered and allowed as if there were no such contingency.

(2) A claim may be allowed even if contingent, if it is filed in accordance with section 8135. It may be allowed and may participate in all distributions declared after it is filed to the extent that it does not prejudice the orderly administration of the liquidation.

(3) Claims that are due except for the passage of time shall be treated as absolute claims are treated, except that those claims may be discounted at the legal rate of interest.

(4) Claims made under employment contracts by directors, principal officers, or persons in fact performing similar functions or having similar powers are limited to payment for services rendered prior to the issuance of an order of rehabilitation or liquidation under section 8113 or 8118.

History: Add. 1989, Act 302, Imd. Eff. Jan. 3, 1990

Popular Name: Act 218