

LIVING CARE DISCLOSURE ACT (EXCERPT)

Act 440 of 1976

***** 554.816 THIS SECTION IS REPEALED BY ACT 448 OF 2014 EFFECTIVE APRIL 2, 2015 *****

554.816 Pro forma financial plan; filing; deposit with escrow agent; surety bond or guaranty; temporary suspension of sales; entrance fees as capital in calculating solvency.

Sec. 16. The applicant shall file a pro forma financial plan with the bureau, subject to the approval of the bureau. If the bureau finds that the financial condition of the facility may jeopardize the care of members, or the facility is insolvent as it is unable to meet its obligations as they accrue or its liabilities exceed its assets, or that the facility appears in jeopardy of becoming insolvent, or if the facility is not meeting its pro forma financial plan, the bureau may require a reasonable deposit with an escrow agent acceptable to the bureau of an amount deemed necessary for the facility to fulfill its obligation, or, at the option of the facility, the furnishing of a surety bond or guaranty as approved by the bureau, if it finds that the requirement is necessary and appropriate to protect prospective members. The bureau may summarily order the temporary suspension of life interest and long-term lease sales, pending a hearing in accordance with section 18. For purposes of calculating solvency under this section, entrance fees may be considered as capital of the facility to the extent that the entrance fees have been earned or based on the formula set forth in the contract that the reasonable expectancy is that they will be earned based on a continuation of the present plan of operation of the facility.

History: 1976, Act 440, Eff. July 1, 1977.

Compiler's note: For transfer of statutory authority, powers, duties, and functions of the corporations, securities and land development bureau to the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.

For transfer of securities division of office of finance and insurance regulation from office of finance and insurance regulation to department of licensing and regulatory affairs, see E.R.O. No. 2012-6, compiled at MCL 445.2034.