

HOUSE BILL No. 4557

April 30, 1987, Introduced by Rep. Scott and referred to the Committee on Insurance.

A bill to amend Act No. 218 of the Public Acts of 1956, entitled as amended
"The insurance code of 1956,"
as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, by adding section 2006a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding section 2006a to read as
4 follows:

5 SEC. 2006A. (1) IF AN INSURANCE POLICY IS CANCELED BY THE
6 INSURER OR THE INSURED, A REFUND OF THE EXCESS OF PAID PREMIUM
7 THE INSURED IS ENTITLED TO RECEIVE SHALL BE PAID BY THE INSURER
8 WITHIN 30 DAYS AFTER THE RECEIPT OF NOTICE OF CANCELLATION, IF

1 THE INSURED HAS COMPLIED WITH ANY OTHER REQUIREMENTS PROVIDED IN
2 THIS ACT.

3 (2) IF A REFUND IS NOT PAID BY THE INSURER WITHIN 30 DAYS
4 AFTER THE RECEIPT OF NOTICE OF CANCELLATION AS PROVIDED IN
5 SUBSECTION (1), THE REFUND PAYABLE TO THE INSURED SHALL BEAR
6 INTEREST AT A RATE OF 12% PER ANNUM FROM THE DATE OF THE RECEIPT
7 OF NOTICE OF CANCELLATION.