

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

500.2400 Purposes and interpretation of chapter.

Sec. 2400.

(1) Except with respect to worker's compensation insurance, the purpose of this chapter is to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate, or unfairly discriminatory, and to authorize and regulate cooperative action among insurers in rate-making and in other matters within the scope of the insurance code. Nothing in this chapter is intended (1) to prohibit or discourage reasonable competition, or (2) to prohibit, or encourage except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating systems, rating plans, or practices.

(2) With respect to worker's compensation insurance, the purposes of this chapter are:

(a) To protect policyholders and the public against the adverse effects of excessive, inadequate, or unfairly discriminatory rates.

(b) To promote price competition among insurers writing worker's compensation insurance so as to encourage rates which will result in the lowest possible rates consistent with the benefits established in the worker's disability compensation act of 1969, Act No. 317 of the Public Acts of 1969, as amended, being sections 418.101 to 418.941 of the Michigan Compiled Laws, and with maintaining the solvency of insurers.

(c) To provide regulatory controls and other activity in the absence of competition.

(d) To improve the availability, fairness, and reliability of worker's compensation insurance.

(3) This chapter shall be liberally interpreted to carry into effect the provisions of this section.

History: 1956, Act 218, Eff. Jan. 1, 1957 ;-- Am. 1982, Act 8, Eff. Jan. 1, 1983

Popular Name: Act 218