

BUSINESS CORPORATION ACT (EXCERPT)
Act 284 of 1972

450.1567 Liability insurance.

Sec. 567.

(1) A corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or who is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have power to indemnify him or her against liability under sections 561 to 565.

(2) If the articles of incorporation include a provision eliminating or limiting the liability of a director pursuant to section 209(1)(c), insurance on behalf of a director under subsection (1) may be purchased from an insurer owned by the corporation, but insurance purchased from that insurer may insure a director against monetary liability to the corporation or its shareholders only to the extent to which the corporation could indemnify the director under section 564a(5).

History: 1972, Act 284, Eff. Jan. 1, 1973 ;-- Am. 1989, Act 121, Eff. Oct. 1, 1989 ;-- Am. 1997, Act 118, Imd. Eff. Oct. 24, 1997