INSURANCE ON FINANCED MOTOR VEHICLES

Act 217 of 1969

AN ACT to enable consumers to protect their insurable interest in motor vehicles in relation to the motor vehicle sales finance act.

History: 1969, Act 217, Eff. Mar. 20, 1970

The People of the State of Michigan enact:

492.151 Installment sale contract; prepayment of time balance prior to insurance coverage expiration; notice to insurer; payment of unearned insurance premiums.

Sec. 1.

When the seller or subsequent holder has placed, at the expense of the buyer, insurance on a motor vehicle sold under an installment sale contract and the buyer prepays the time balance under the contract prior to the expiration date of the insurance, the seller or subsequent holder shall give or forward to the insurer notice of such prepayment, and shall not thereafter be a party to said insurance contract, nor request its cancellation. After such prepayment, any unearned insurance premiums received by the seller or holder, resulting from cancellation of insurance which was originally placed at the buyer's expense, shall be promptly paid to the buyer.

History: 1969, Act 217, Eff. Mar. 20, 1970

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