

INTERGOVERNMENTAL CONTRACTS BETWEEN MUNICIPAL CORPORATIONS (EXCERPT)
Act 35 of 1951

124.7a Submission and review of intergovernmental contract; filing copy of coverage document; aggregate excess insurance or deposit; filing and review of copy of aggregate excess insurance contract; cash reserves.

Sec. 7a. (1) When 2 or more municipal corporations have formed a group self-insurance pool by an intergovernmental contract pursuant to section 5, the group self-insurance pool shall immediately submit a copy of the intergovernmental contract to the commissioner of insurance. The commissioner of insurance shall review it for compliance with this act.

(2) A copy of each coverage document form issued by the pool shall be filed with the commissioner of insurance.

(3) Each group self-insurance pool shall maintain aggregate excess insurance or a deposit with the state treasurer of unimpaired surplus which aggregate excess insurance or deposit shall be used in the event that the pool's resources are exhausted in a given fiscal period. The aggregate excess insurance or deposit, or combination of aggregate excess insurance and deposit shall be, at a minimum, in the amount of \$5,000,000.00 unless the commissioner determines a lesser amount of aggregate excess insurance would be adequate. A copy of the aggregate excess insurance contract obtained by a group self-insurance pool pursuant to this section shall be filed with the commissioner of insurance who shall review it for compliance with this act.

(4) A group self-insurance pool shall set aside cash reserves that are adequate for the payment of claims.

History: Add. 1988, Act 36, Eff. July 1, 1988.