

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

500.7306 Claim reserves; requirements.

Sec. 7306.

(1) Every title insurer shall establish and maintain, in addition to other reserves, a reserve against unpaid claims and claim expense, herein known as the claim reserve. The reserve shall be in an amount estimated in the aggregate as being sufficient to provide for payment of all claim and claim expense likely to be incurred by reason of every claim presented pursuant to written notice from or on behalf of an insured of a title defect in or lien on or adverse claim against the title insured, that may result in a claim being paid or cause expense to be incurred for the proper disposition of the claim.

(2) The amounts so estimated shall be revised from time to time as circumstances require, but shall be redetermined at least once each year.

History: Add. 1966, Act 221, Imd. Eff. July 11, 1966

Popular Name: Act 218