

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.2509 Risk of loss; absence of breach.

Sec. 2509.

(1) The following apply if a contract requires or authorizes the seller to ship goods by carrier:

(a) If the contract does not require the seller to deliver the goods at a particular destination, the risk of loss passes to the buyer when the goods are duly delivered to the carrier even if the shipment is under reservation under section 2505.

(b) If the contract does require the seller to deliver the goods at a particular destination and the goods are tendered to the buyer at that destination while in the possession of the carrier, the risk of loss passes to the buyer when the goods are tendered at that destination in a manner that enables the buyer to take delivery.

(2) If goods are held by a bailee to be delivered without being moved, the risk of loss passes to the buyer when 1 of the following occurs:

(a) The buyer receives possession or control of a negotiable document of title covering the goods.

(b) The bailee provides acknowledgment of the buyer's right to possession of the goods.

(c) The buyer receives possession or control of a nonnegotiable document of title or other direction to deliver in a record, as provided in section 2503(4)(b).

(3) If subsection (1) or (2) does not apply, the risk of loss passes to the buyer on the buyer's receipt of the goods if the seller is a merchant. Otherwise, the risk of loss passes to the buyer on tender of delivery.

(4) The provisions of this section are subject to contrary agreement of the parties and to the provisions of section 2327 on sale on approval and section 2510 on effect of breach on risk of loss.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 2012, Act 87, Eff. July 1, 2013