

INSURANCE ON FINANCED MOTOR VEHICLES (EXCERPT)
Act 217 of 1969

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