

MACKINAC BRIDGE AUTHORITY (EXCERPT)
Act 21 of 1950 (Ex. Sess.)

254.301a Self-insurance of bridge assets and activities; agreement; self-insurance reserve account; payments; litigation.

Sec. 1a.

(1) The authority may enter into an agreement with the state transportation department to provide for the self-insurance of bridge assets and activities. The agreement shall set forth the terms and conditions of the self-insurance consistent with this section.

(2) The agreement may provide that, to the extent that claims would otherwise have been paid under an insurance policy carried by the authority, the claims shall be paid from a self-insurance reserve account to be established and maintained by the authority. If there are insufficient funds in the account to pay a claim, the balance of the claim shall be paid by the state transportation department from funds constitutionally restricted to transportation purposes by section 9 of article IX of the state constitution of 1963.

(3) The self-insurance reserve account shall be funded by annual payments by the authority of at least \$200,000.00 until the total of the account equals at least \$1,000,000.00, as the authority and the state transportation department may agree. Once the account is fully funded, the authority may cease payments to the account except to the extent that the payments again become necessary to restore a balance of \$1,000,000.00 after the payment of claims from the account.

(4) In any lawsuit filed against the authority for damages that are covered by the self-insurance agreement, the state transportation department shall defend the authority and control the course and disposition of the litigation as if the claim were against the state transportation department. The state transportation department shall advise the authority of pending litigation and consult with the authority regarding the potential disposition of the matter. The state transportation department's cost of the litigation and any settlement or judgment shall be paid as a claim from the self-insurance reserve account or state transportation department funds as provided in this section and the agreement.

History: Add. 2009, Act 71, Imd. Eff. July 9, 2009

Popular Name: Mackinac Bridge Authority Act