

HOUSE BILL No. 5764

April 1, 2004, Introduced by Reps. Howell, Lipsey, Bieda, Kolb, Tobocman, Gleason, Adamini, Gillard, Whitmer, LaSata and Gaffney and referred to the Committee on Judiciary.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 2209 (MCL 500.2209).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2209. (1) ~~It shall be lawful for any married woman,~~
2 ~~by herself, and in her~~ **A married individual, in his or her own**
3 name or in the name of any third person ~~—, with his assent, as~~
4 ~~her~~ **as** trustee, ~~to cause to be insured for her sole use, may~~
5 **insure** the life of ~~her husband~~ **a spouse** or the life of any
6 other person ~~—, in any life insurance company of any nature~~
7 ~~whatever, located in either of the states of the United States of~~
8 ~~America or in Great Britain,~~ for any definite period, or for the
9 term of ~~his natural~~ life. ~~—; and in case of her surviving her~~
10 ~~husband, or such other person insured in her behalf, the sum or~~
11 ~~net amount of the policy of insurance due and payable by the~~

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1 ~~terms of the insurance, shall be payable to her, to and for her~~
2 ~~own use, free from the claims of the representatives of her~~
3 ~~husband, or of such other person insured, or of any of his~~
4 ~~creditors, but such exemption shall not apply where the amount of~~
5 ~~premium annually paid shall exceed the sum of \$300.00.~~

6 ~~—— (2) In case of the death of the wife before the decease of~~
7 ~~her husband, or of such other person insured, the amount of the~~
8 ~~insurance may be made payable after her death to her children,~~
9 ~~for their use, and to their guardian, if under age, or the amount~~
10 ~~of the policy may be disposed of by such married woman by a last~~
11 ~~will and testament.~~

12 (2) A life insurance policy or the proceeds of a life
13 insurance policy payable to the individual insured or the
14 designated beneficiary is not subject to legal or equitable
15 process to satisfy the liability of a person who has a right
16 under the policy.

17 (3) The proceeds of a life insurance policy that are not
18 payable to a named beneficiary or a third person under a
19 facility-of-payment clause are not an asset of the estate of the
20 individual insured for purposes of paying claims of creditors.