

SENATE BILL No. 1102

April 26, 2012, Introduced by Senator SCHUITMAKER and referred to the Committee on Judiciary.

A bill to amend 1998 PA 386, entitled
"Estates and protected individuals code,"
(MCL 700.1101 to 700.8206) by adding section 7114.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7114. A TRUSTEE OF A TRUST HAS AN INSURABLE INTEREST IN
2 THE LIFE OF AN INDIVIDUAL INSURED UNDER A LIFE INSURANCE POLICY
3 THAT IS OWNED BY THE TRUSTEE OF THE TRUST ACTING IN A FIDUCIARY
4 CAPACITY OR THAT DESIGNATES THE TRUST ITSELF AS THE OWNER IF, ON
5 THE DATE THE POLICY IS ISSUED, BOTH OF THE FOLLOWING ARE TRUE:

6 (A) THE INSURED IS 1 OF THE FOLLOWING:

7 (i) A SETTLOR OF THE TRUST.

8 (ii) AN INDIVIDUAL IN WHOM A SETTLOR OF THE TRUST HAS, OR WOULD
9 HAVE HAD IF LIVING AT THE TIME THE POLICY WAS ISSUED, AN INSURABLE
10 INTEREST.

11 (B) THE LIFE INSURANCE PROCEEDS ARE PRIMARILY FOR THE BENEFIT

1 OF 1 OR MORE TRUST BENEFICIARIES THAT HAVE 1 OF THE FOLLOWING:

2 (i) AN INSURABLE INTEREST IN THE LIFE OF THE INSURED.

3 (ii) A SUBSTANTIAL INTEREST ENGENDERED BY LOVE AND AFFECTION IN
4 THE CONTINUATION OF THE LIFE OF THE INSURED AND, IF NOT ALREADY
5 INCLUDED UNDER SUBPARAGRAPH (i) , WHO ARE 1 OF THE FOLLOWING:

6 (A) RELATED WITHIN THE THIRD DEGREE OR CLOSER, AS MEASURED BY
7 THE CIVIL LAW SYSTEM OF DETERMINING DEGREES OF RELATION, EITHER BY
8 BLOOD OR AFFINITY, TO THE INSURED.

9 (B) STEPCHILDREN OF THE INSURED.

10 Enacting section 1. This amendatory act does not take effect
11 unless Senate Bill No. 1103

12 of the 96th Legislature is enacted into law.