



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4676 (as reported without amendment)
Sponsor: Representative Mary Schroer
House Committee: Insurance
Senate Committee: Financial Services

CONTENT

The bill would amend the Insurance Code to prohibit an individual who had an insurable interest in the life of another person from insuring that other person's life for the individual's benefit, unless the person whose life was to be insured consented in writing to be insured. The insured person's signature on an application for insurance would constitute consent.

The bill would apply to life insurance policies and certificates of \$10,000 or more delivered or issued for delivery in Michigan on and after 30 days after the bill's effective date. The bill would not apply if the person whose life was to be insured were less than 18 years of age.

(According to Black's Law Dictionary, the term "insurable interest", in the case of life insurance, means "a reasonable expectation of pecuniary benefit from the continued life of another" and "a reasonable ground, founded upon the relation of the parties to each other, either pecuniary or of blood or affinity, to expect some benefit or advantage from the continuance of the life" of the person to be insured.)

Proposed MCL 500.2212

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 12-5-96

Fiscal Analyst: M. Tyszkiewicz