

Bill No. SB 648



483804

CHAMBER ACTION

| <u>Senate</u> | . | <u>House</u> |
|---------------|---|--------------|
| Comm: RCS | . | |
| 3/25/2008 | . | |
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1 The Committee on Judiciary (Gaetz) recommended the following
 2 **amendment:**

Senate Amendment

6 Delete lines 54 through 94
 7 and insert:

9 the trust; an individual closely related by blood or law to the
 10 grantor; or an individual in whom the grantor otherwise has an
 11 insurable interest if, in each of the situations described in
 12 subsection (5), the life insurance proceeds are primarily for
 13 the benefit of trust beneficiaries having an insurable interest
 14 in the life of the insured.

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15 6. A guardian, trustee, or other fiduciary, acting in a
16 fiduciary capacity, has an insurable interest in the life of any
17 person for whose benefit the fiduciary holds property, and in
18 the life of any other individual in whose life the person has an
19 insurable interest so long as the life insurance proceeds are
20 primarily for the benefit of persons having an insurable
21 interest in the life of the insured.

22 7. A charitable organization meeting the requirements of
23 s. 501(c)(3) of the United States Internal Revenue Code, as
24 amended, has an insurable interest in the life of any person who
25 consents in writing to the organization's ownership or purchase
26 of that insurance.

27 8. A trustee or custodian of assets held in any plan
28 governed by the Employee Retirement Income Security Act of 1974,
29 29 U.S.C. ss. 1001 et seq., or in any other retirement or
30 employee benefit plan, has an insurable interest in the life of
31 any participant in the plan with the written consent of the
32 prospective insured. An employer, trustee, or custodian may not
33 retaliate or take adverse action against any participant who
34 does not consent to the issuance of insurance on the
35 participant's life.

36 9. A business entity has an insurable interest in the
37 life, body, and health of any of the owners, directors,
38 officers, partners, and managers of the business entity or any
39 subsidiary of the business entity, or key employees or key
40 persons of the business entity or subsidiary, provided that
41 consent is obtained in writing from the key employees or persons
42 before the insurance is purchased. The business entity or

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43 subsidiary may not retaliate or take adverse action against any
44 key employee or person who does not consent to the issuance of
45 insurance on the key employee or key person's life.

46 (3)(1) An insurer shall be entitled to rely upon all
47 statements, declarations, and representations made by an
48 applicant for insurance relative to the insurable interest which
49 such applicant has in the insured; and no insurer shall incur
50 any legal liability except as set forth in the policy, by virtue
51 of any untrue statements, declarations, or representations so
52 relied upon in good faith by the insurer.

53 (4) If the beneficiary, assignee, or other payee under any
54 insurance contract procured by a person