

CONSENT FOR LIFE INSURANCE

House Bill 4784

Sponsor: Rep. Mary Schroer

Committee: Insurance

Complete to 1-27-98

A SUMMARY OF HOUSE BILL 4784 AS INTRODUCED 5-14-97

The bill would amend the Insurance Code to require an individual who has an insurable interest in another human being to obtain that person's consent in writing before insuring that person's life for his or her own benefit. (This would not apply if the person whose life was to be insured was under 18 years of age.) The person's signature on the insurance application would constitute consent. The bill would apply to life insurance policies and certificates of \$10,000 or more delivered or issued for delivery 30 days or more after the bill's effective date.

The bill would amend Chapter 22 of the code, which deals with insurance contracts generally. It refers to an individual "who has an insurable interest in the life of another human being," which means, according to Barron's Dictionary of Insurance Terms, an expectation of monetary loss that can be covered by insurance. Examples include the insurable interest a person has in his or her own life; those arising from parent-child, husband-wife, and sibling relationships; and those arising from business relationships and debtor-creditor relationships.

MCL 500.2211

House Bill 4784 (1-27-98)

Analyst: C. Couch

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