

Adopted	Rejected
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# COMMITTEE REPORT

<b>YES:</b>	<b>11</b>
<b>NO:</b>	<b>0</b>

**MR. SPEAKER:**

*Your Committee on Insurance, Corporations and Small Business, to which was referred House Bill 1205, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1           Page 1, between the enacting clause and line 1, begin a new
- 2           paragraph and insert:
- 3           "SECTION 1. IC 27-1-12-14, AS AMENDED BY P.L.253-1995,
- 4           SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5           JULY 1, 1998]: Sec]. 14. (a) As used in this section, "premium"
- 6           includes any deposit or contribution.
- 7           (b) As used in this section, "proceeds or avails" means death
- 8           benefits, cash surrender and loan values, premiums waived, and
- 9           dividends whether used in reduction of the premiums or in whatsoever
- 10          manner used or applied, excepting only where the debtor has,
- 11          subsequent to the issuance of the policy, actually elected to receive the
- 12          dividends in cash.
- 13          (c) ~~Any person whose life is insured by any life insurance~~
- 14          company may name as his payee or beneficiary any person or persons;

1 ~~natural or artificial, with or without an insurable interest, or his estate.~~  
 2 **A corporation, association, or society shall not issue any life**  
 3 **insurance, policy of life insurance, policy, or annuity contract in**  
 4 **which the payee or beneficiary named has no insurable interest.**  
 5 **Any assignment of a policy or certificate to a person having no**  
 6 **insurable interest, except as security for actual debt with**  
 7 **remainder over to the beneficiary or to the estate of the insured,**  
 8 **renders the policy or certificate void.**

9 **(d) Such A designation of a person as a payee or beneficiary**  
 10 **under subsection (c)** at the option of the insured may be made either  
 11 revocable or irrevocable, and the option elected shall be set out in and  
 12 shall be made a part of the application for the certificate or policy of  
 13 insurance. When the right of revocation has been reserved, the person  
 14 whose life is insured, subject to any existing assignment of the policy,  
 15 may at any time designate a new payee or beneficiary, with or without  
 16 reserving the right of revocation, by filing written notice thereof at the  
 17 home office of the corporation, accompanied by the policy for suitable  
 18 indorsement thereon.

19 ~~(d)~~ **(e)** Any person may effect an insurance on his life, for any  
 20 definite period of time, or for the term of his natural life, to inure to the  
 21 sole benefit of the spouse and children, or of either, or other relative or  
 22 relatives dependent upon such person or any creditor or creditors as he  
 23 may cause to be appointed and provided in the policy.

24 ~~(e)~~ **(f)** Except as provided in subsection ~~(g)~~; **(h)**, all policies of life  
 25 insurance upon the life of any person, which name as beneficiary, or  
 26 are bona fide assigned to, the spouse, children, or any relative  
 27 dependent upon such person, or any creditor, shall be held, subject to  
 28 change of beneficiary from time to time, if desired, for the benefit of  
 29 such spouse, children, other relative or creditor, free and clear from all  
 30 claims of the creditors of such insured person or of the person's spouse;  
 31 and the proceeds or avails of all such life insurance shall be exempt  
 32 from all liabilities from any debt or debts of such insured person or of  
 33 the person's spouse.

34 ~~(f)~~ **(g)** A premium paid for an individual life insurance policy that  
 35 names as a beneficiary, or is legally assigned to, a spouse, child, or  
 36 relative who is dependent upon the policy owner is not exempt from the  
 37 claims of the creditors of the policy owner if the premium is paid:

38 (1) not more than one (1) year before the date of the filing of a

1           voluntary or involuntary bankruptcy petition by; or  
 2           (2) to defraud the creditors of;  
 3           the policy owner.

4           ~~(g)~~ **(h)** The insurer issuing the policy is discharged from all  
 5           liability by payment of the proceeds and avails of the policy in  
 6           accordance with the terms of the policy unless, before payment, the  
 7           insurer has received at the insurer's home office, written notice by or on  
 8           behalf of a creditor of the policy owner that specifies the amount  
 9           claimed against the policy owner."

10           Page 4, line 14, after "not" insert "**, unless the agent has an**  
 11           **insurable interest**".

12           Page 4, after line 21 begin a new paragraph and insert:

13           "SECTION 4. IC 27-8-3-8 IS REPEALED [EFFECTIVE JULY 1,  
 14           1998]."

15           Renumber all SECTIONS consecutively.  
               (Reference is to HB 1205 as introduced.)

**and when so amended that said bill do pass.**

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Representative Fry