

Senate Judiciary
Attachment 14

(Corrected)
Amended by House Committee

Session of 2011

HOUSE BILL No. 2028

By Committee on Judiciary

1-18

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RS - JThompson - 03/03/11

AN ACT concerning trusts; relating to insurable interests of trustees.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) In this section, "settlor" means a person that executes a trust instrument. The term includes a person for which a fiduciary or agent is acting.

(b) A trustee of a trust has an insurable interest in the life of an individual insured under a life insurance policy that is owned by the trustee of the trust acting in a fiduciary capacity or that designates the trust itself as the owner if, on the date the policy is issued:

(1) The insured is:

(A) A settlor of the trust; or

(B) an individual in whom a settlor of the trust has, or would have had if living at the time the policy was issued, an insurable interest; and

(2) the life insurance proceeds are primarily for the benefit of one or more trust beneficiaries that have:

(A) An insurable interest in the life of the insured; or

(B) a substantial interest engendered by love and affection in the continuation of the life of the insured and, if not already included under subparagraph (A), who are:

(i) Related within a third degree or closer, as measured by the civil law system of determining degrees of relation, either by blood or law, to the insured; or

(ii) stepchildren of the insured, or children of the insured's stepchild, either by blood or law

(c) This section shall be part of the supplemental to the Kansas uniform trust code.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

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