

Kansas Uniform Trust Code

HB 2028 creates a new section to be part of the Kansas Uniform Trust Code giving the trustee of a trust an insurable interest in the life of an individual insured under a life insurance policy owned by the trustee acting in a fiduciary capacity or that designates the trust itself as the owner under certain circumstances. Pursuant to the bill, the trustee has an insurable interest if, when the policy is issued, the insured is either a settlor of the trust or 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. Additionally, to have an insurable interest, the bill requires the life insurance proceeds be primarily for the benefit of one or more trust beneficiaries who have either an insurable interest in the life of the insured, or a substantial interest engendered by love and affection in the continuation of the life of the insured, and who are related within a third degree, either by blood or law, or are the insured's stepchildren or the children of the insured's stepchild, either by blood or law.