

[As Amended by Senate Committee of the Whole]

As Amended by Senate Committee

Amended by House Committee

Session of 2011

HOUSE BILL No. 2028

By Committee on Judiciary

1-18

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

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

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

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

11 (1) The insured is:

12 (A) A settlor of the trust; or

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

15 (2) the life insurance proceeds are primarily for the benefit of one or
16 more trust beneficiaries ~~that have~~ **[that have]:**

17 (A) ~~That have~~ **That have** An insurable interest in the life of the insured; or

18 (B) ~~a substantial interest engendered by love and affection in the~~
19 ~~continuation of the life of the insured and,~~ **[a substantial interest**
20 **engendered by love and affection in the continuation of the life of the**
21 **insured and.]** if not already included under subparagraph (A), who are:

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

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

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

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

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