

1 **AMENDMENT TO UNIFORM TRUST CODE**

2 (10-05-09 draft)

3
4 **[SECTION 113. INSURABLE INTEREST OF TRUSTEE.]**

5 (a) In this section, “settlor” means a person, including a person for whom a fiduciary or
6 agent is acting, who executes the trust instrument.

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

10 (1) the insured is:

11 (A) a settlor of the trust; or

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

14 (2) the life insurance proceeds are primarily for the benefit of trust beneficiaries:

15 (A) who have an insurable interest in the life of the insured;

16 (B) who have a substantial interest engendered by love and affection in the
17 continuation of the life of the insured and, other than those in paragraph (A), who are related
18 within the third degree either by blood or law to the insured; or

19 (C) that constitute a charitable, educational, or religious corporation
20 formed pursuant to [insert appropriate cross reference to not-for-profit corporation law.]