

2020 Regular Session

SENATE BILL NO. 216

BY SENATOR CATHEY

INSURANCE POLICIES. Provides relative to annuities. (8/1/20)

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AN ACT

To amend and reenact R.S. 22:856 and 901(A) and (B), relative to annuities; to provide relative to applications for insurance for annuities; to provide relative to insurable interest for purposes of annuity contracts; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:856 and 901(A) and (B) are hereby amended and reenacted to read as follows:

§856. Application for insurance required

No life, annuity, or health and accident insurance contract upon an individual, except a contract of group life insurance, **or of group annuity**, or of group or blanket health and accident insurance as defined in this Code, shall be made or effectuated unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, in writing applies therefor or consents thereto, except in the following cases:

- (1) A spouse may effectuate ~~such~~ **the** insurance upon the other spouse.
- (2) Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance, may

1 effectuate insurance upon the life of the minor.

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3 §901. Insurable interest required; personal insurance; intentional acts exclusion

4 A. Any individual of competent legal capacity may procure or effect an
5 insurance contract upon his own life or body for the benefit of any person; however,
6 no person shall procure or cause to be procured any insurance contract upon the life
7 or body of another individual unless the benefits under ~~such the~~ contract are payable
8 to the individual insured **whose life or body is the subject of the contract** or his
9 personal representatives, or to a person having, at the time when ~~such the~~ contract
10 was made, an insurable interest in the individual insured **whose life or body is the**
11 **subject of the contract.**

12 B. If the beneficiary, assignee, or other payee under any contract made in
13 violation of this Section receives from the insurer any benefits under the contract
14 accruing upon the death, disablement, or injury of the individual insured **whose life**
15 **or body is the subject of the contract,** the individual insured **whose life or body**
16 **is the subject of the contract** or his executor or administrator, as the case may be,
17 may maintain an action to recover ~~such the~~ benefits from the person receiving them.

18 * * *

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by LG Sullivan.

DIGEST

SB 216 Original 2020 Regular Session Cathey

Present law restricts who may insure the life or health of an individual to the insured him-or herself, the insured's spouse, and anyone with an insurable interest in the insured's life or body. Provides that "insurable interest" for purposes of present law means either:

- (1) A substantial interest engendered by love of and affection for an individual who is a close relative.
- (2) A lawful and substantial economic interest in the continued life, health, or safety of the individual.

Proposed law retains present law and clarifies that the restrictions apply to contracts for annuities as well as other types of insurance.

SLS 20RS-201

ORIGINAL
SB NO. 216

Effective August 1, 2020.

(Amends R.S. 22:856 and 901(A) and (B))