

§ 36C-1-114. Insurable interest of trustee.

(a) As used in this section, the term "settlor" means a person that executes a trust instrument. The term includes a person for whom 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 trust property if, as of the date the policy is issued:

(1) The insured is either of the following:

a. A settlor of the trust.

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.

(2) The life insurance proceeds are primarily for the benefit of one or more trust beneficiaries that have an insurable interest in the life of the insured.

(c) This section does not limit or abridge any insurable interest or right to insure now existing at common law or by statute and shall be construed liberally to sustain insurable interests, whether as a declaration of existing law or as an extension of or addition to existing law. (2013-91, s. 2(a).)