

40-453. Life insurance; insurable interest. (a) Determination of the existence and extent of the insurable interest under any life insurance policy shall be made at the time the contract of insurance becomes effective but need not exist at the time the loss occurs. In the case of life insurance policies issued or renewed for a specific term, an insurable interest shall not exist for any policy term with respect to any person previously insured by the policy who has, in writing, requested the insurer to terminate or nonrenew the insurance applicable to such person's life.

(b) Notwithstanding the provisions of subsection (a), an employer's or a trust's insurable interest in any employee, director or previous employee cannot be terminated by such employee, director or previous employee with respect to employee benefit plans described in 29 U.S.C. § 1002(3).

History: L. 1993, ch. 190, § 2; April 22.