

House Bill 443

By: Representatives Smith of the 113th, Harbin of the 118th, Reece of the 27th, Sheldon of the 105th, and Hembree of the 67th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 33-24-3 of the Official Code of Georgia Annotated, relating to
2 insurable interests in personal insurance, so as to provide for additional insurable interests
3 of certain entities in the lives of insureds under certain conditions; to repeal conflicting laws;
4 and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Code Section 33-24-3 of the Official Code of Georgia Annotated, relating to insurable
8 interests in personal insurance, is amended by adding a new subsection to read as follows:

9 "(g) In addition to those cases provided for elsewhere in this Code section, any trust,
10 business trust, partnership, corporation, limited liability company, or similar entity shall
11 have an insurable interest in the life of an insured if:

12 (1) The entity is approved in writing by the insured as the beneficiary in, and owner of,
13 the combination of:

14 (A) A life insurance policy on the life of the insured; and

15 (B) An annuity contract or other insurance or investment product providing cash flow
16 during the life of the insured;

17 (2) The entity is formed for the purpose, in part, of generating funds for the benefit of
18 one or more organizations that meet the requirements of Section 501(c)(3) of the Internal
19 Revenue Code of 1986 that are, prior to the purchase of the life insurance policy,
20 designated in writing by the consenting insured;

21 (3) The entity is approved in writing by each benefited organization referred to in
22 paragraph (2) of this subsection;

23 (4) Each benefited organization referred to in paragraph (2) of this subsection owns or
24 will own an interest in the entity;

1 (5) The payments to the entity under the annuity contract or other insurance or
2 investment product must be reasonably anticipated to fund the premiums on the life
3 insurance policy for the second and succeeding years;

4 (6) Either:

5 (A) Each benefited organization referred to in paragraph (2) of this subsection provides
6 an affidavit to the entity stating that the organization has been in existence for at least
7 three years and has assets of at least \$5 million; or

8 (B) The consenting insured provides an affidavit to the entity stating that the insured
9 is an accredited investor as defined in Rule 501 of Regulation D under the Securities
10 Act of 1933, as amended;

11 (7) The consenting insured provides an affidavit to the entity stating that neither the
12 consenting insured nor any person closely related by blood or by law to the consenting
13 insured nor any entity controlled by the consenting insured or any person closely related
14 by blood or by law to the consenting insured other than a organization as defined under
15 Sections 501(c)(3) of the Internal Revenue Code of 1986 received any monetary
16 remuneration or other consideration whatsoever in connection with the insured's consent
17 to purchase the life insurance policy, the annuity contract, or other insurance or
18 investment product; and

19 (8) Prior to the ownership or purchase of the life insurance policy on the consenting
20 insured, each consenting insured and benefited organization referred to in paragraph (2)
21 of this subsection is provided a written description of the minimum percentage or amount
22 of the life insurance proceeds that is reasonably anticipated to be paid to the benefited
23 organization.

24 An entity meeting the requirements of this subsection has an insurable interest in the life
25 of the insured whether the entity originally purchased the insurance or the insurance is later
26 transferred to the entity by the insured or another person."

27 **SECTION 2.**

28 All laws and parts of laws in conflict with this Act are repealed.