

SFA

BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

• (517) 373-5383

Senate Bill 971

Sponsor: Senator Dick Posthumus

Committee: Commerce and Technology

JUN 28 1990

Date Completed: 5-23-90

SUMMARY OF SENATE BILL 971 as introduced 5-22-90:

The bill would amend the Insurance Code to provide that an employer "has an insurable interest in", and could insure the lives of its directors, officers, managers, nonmanagement employees, and retired employees on an individual or group basis for the benefit of the employer or an employer-sponsored trust established for the benefit of the employees and officers. An employer could insure the lives of its nonmanagement and retired employees, however, only if those persons consented to be insured and the coverage were limited to an amount reasonably commensurate with projected employer-provided benefits to nonmanagement employees and retired employees, calculated according to accepted actuarial principles.

The proceeds of any policy or certificate issued would be exempt from the claims of any creditor or dependent of the insured.

"Employer" would mean an individual, sole proprietorship, partnership, firm, corporation, association, or any other legal entity, that has one or more employees and is legally doing business in this State.

Proposed MCL 500.2210

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: J. Schultz

S.B. 971 (5-23-90)

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.