

# HOUSE BILL No. 5252

November 1, 1989, Introduced by Reps. Law, Willis Bullard,  
Wartner, Dolan and DeMars and referred to the Committee on Insurance.

A bill to amend Act No. 218 of the Public Acts of 1956,  
entitled as amended

"The insurance code of 1956,"

as amended, being sections 500.100 to 500.8302 of the Michigan  
Compiled Laws, by adding section 4037.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as  
2 amended, being sections 500.100 to 500.8302 of the Michigan  
3 Compiled Laws, is amended by adding section 4037 to read as  
4 follows:

5 SEC. 4037. A LIFE INSURANCE POLICY MAY BE SOLD FOR FULL  
6 VALUE OF THE DEATH BENEFIT OR AT A REASONABLE DISCOUNT PRIOR TO  
7 THE DEATH OF THE INSURED PERSON IF ALL OF THE FOLLOWING ARE MET:

8 (A) THE INSURED PERSON HAS A TERMINAL ILLNESS AS CERTIFIED  
9 BY A PHYSICIAN LICENSED UNDER THE PUBLIC HEALTH CODE, ACT NO. 368

1 OF THE PUBLIC ACTS OF 1978, BEING SECTIONS 333.1101 TO 333.25211  
2 OF THE MICHIGAN COMPILED LAWS.

3 (B) EACH BENEFICIARY TO THE LIFE INSURANCE POLICY WAIVES HIS  
4 OR HER RIGHTS TO THE DEATH BENEFIT.

5 (C) THE INSURED PERSON HAS 15 DAYS AFTER RECEIPT OF THE PRO-  
6 CEEDS TO CANCEL.