

HOUSE BILL No. 5096

September 25, 2001, Introduced by Rep. Stamas and referred to the Committee on Insurance and Financial Services.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding sections 2128 and 7307.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2128. (1) IF A PERSON WHO IS AN INSURED PARTY UNDER A
2 HOME INSURANCE POLICY TRANSFERS OWNERSHIP OF THE PROPERTY TO A
3 QUALIFYING TRUST, THE QUALIFYING TRUST SHALL BE CONSIDERED AN
4 INSURED PARTY UNDER THE HOME INSURANCE POLICY AND COVERAGE SHALL
5 EXTEND TO THE QUALIFYING TRUST.

6 (2) AS USED IN THIS SECTION, "QUALIFYING TRUST" MEANS A
7 TRUST THAT MEETS BOTH OF THE FOLLOWING:

8 (A) THE SETTLOR OF THE TRUST IS THE INSURED PARTY, THE
9 INSURED PARTY'S SPOUSE, OR BOTH, UNDER A HOME INSURANCE POLICY
10 COVERING PROPERTY TRANSFERRED TO THE TRUST.

1 (B) A PRESENT BENEFICIARY OF THE TRUST IS THE INSURED PARTY,
2 THE INSURED PARTY'S SPOUSE, OR BOTH, UNDER A HOME INSURANCE
3 POLICY COVERING PROPERTY TRANSFERRED TO THE TRUST.

4 SEC. 7307. (1) IF A PERSON WHO IS AN INSURED PARTY UNDER A
5 TITLE INSURANCE POLICY TRANSFERS OWNERSHIP OF THE PROPERTY TO A
6 QUALIFYING TRUST, THE QUALIFYING TRUST SHALL BE CONSIDERED AN
7 INSURED PARTY UNDER THE TITLE INSURANCE POLICY AND COVERAGE SHALL
8 EXTEND TO THE QUALIFYING TRUST.

9 (2) AS USED IN THIS SECTION, "QUALIFYING TRUST" MEANS A
10 TRUST THAT MEETS BOTH OF THE FOLLOWING:

11 (A) THE SETTLOR OF THE TRUST IS THE INSURED PARTY, THE
12 INSURED PARTY'S SPOUSE, OR BOTH, UNDER A TITLE INSURANCE POLICY
13 COVERING PROPERTY TRANSFERRED TO THE TRUST.

14 (B) A PRESENT BENEFICIARY OF THE TRUST IS THE INSURED PARTY,
15 THE INSURED PARTY'S SPOUSE, OR BOTH, UNDER A TITLE INSURANCE
16 POLICY COVERING PROPERTY TRANSFERRED TO THE TRUST.