

Act No. 8  
Public Acts of 2014  
Approved by the Governor  
February 11, 2014  
Filed with the Secretary of State  
February 11, 2014  
EFFECTIVE DATE: February 11, 2014

**STATE OF MICHIGAN  
97TH LEGISLATURE  
REGULAR SESSION OF 2014**

Introduced by Senator Schuitmaker

# **ENROLLED SENATE BILL No. 32**

AN ACT to amend 1998 PA 386, entitled “An act to codify, revise, consolidate, and classify aspects of the law relating to wills and intestacy, relating to the administration and distribution of estates of certain individuals, relating to trusts, and relating to the affairs of certain individuals under legal incapacity; to provide for the powers and procedures of the court that has jurisdiction over these matters; to provide for the validity and effect of certain transfers, contracts, and deposits that relate to death; to provide procedures to facilitate enforcement of certain trusts; and to repeal acts and parts of acts,” (MCL 700.1101 to 700.8206) by adding section 7114.

*The People of the State of Michigan enact:*

Sec. 7114. A trustee of a trust has an insurable interest in the life of an individual insured under a life insurance policy that is owned by the trustee of the trust acting in a fiduciary capacity or that designates the trust itself as the owner if, on the date the policy is issued, both of the following are true:

(a) The insured is 1 of the following:

(i) A settlor of the trust.

(ii) An individual in whom a settlor of the trust has, or would have had if living at the time the policy was issued, an insurable interest.

(b) The life insurance proceeds are primarily for the benefit of 1 or more trust beneficiaries that have 1 of the following:

(i) An insurable interest in the life of the insured.

(ii) A substantial interest engendered by love and affection in the continuation of the life of the insured and, if not already included under subparagraph (i), who are 1 of the following:

(A) Related within the third degree or closer, as measured by the civil law system of determining degrees of relation, either by blood or affinity, to the insured.

(B) Stepchildren of the insured.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 31 of the 97th Legislature is enacted into law.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Gay E. Randall*

Clerk of the House of Representatives

Approved .....

.....  
Governor