

# HOUSE BILL NO. 4810

June 15, 2023, Introduced by Reps. Rogers and Morgan and referred to the Committee on Government Operations.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending sections 2207, 2209, 3110, and 3402 (MCL 500.2207,  
500.2209, 500.3110, and 500.3402), section 3402 as amended by 2016  
PA 276.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 2207. ~~(1) It shall be lawful for any husband to insure~~  
2 ~~his life for the benefit of his wife, and for any father to insure~~  
3 ~~his life for the benefit of his children, or of any one or more of~~

1 ~~them; and in case that any money shall become payable under the~~  
2 ~~insurance, the same shall be payable to the person or persons for~~  
3 ~~whose benefit the insurance was procured, his, her or their~~  
4 ~~representatives or assigns, for his, her or their own use and~~  
5 ~~benefit, free from all claims of the representatives of such~~  
6 ~~husband or father, or of any of his creditors; and any married~~  
7 ~~woman, either in her own name or in the name of any third person as~~  
8 ~~her trustee, may cause to be insured the life of her husband, or of~~  
9 ~~any other person, for any definite period, or for the term of life,~~  
10 ~~and the moneys that may become payable on the contract of~~  
11 ~~insurance, shall be payable to her, her representatives or assigns,~~  
12 ~~free from the claims of the representatives of the husband, or of~~  
13 ~~such other person insured, or of any of his creditors; and in any~~  
14 ~~contract of insurance, it shall be lawful to provide that on the~~  
15 ~~decease of the person or persons for whose benefit it is obtained,~~  
16 ~~before the sum insured shall become payable, the benefit thereof~~  
17 ~~shall accrue to any other person or persons designated; and such~~  
18 ~~other person or persons shall, on the happening of such~~  
19 ~~contingency, succeed to all the rights and benefits of the deceased~~  
20 ~~beneficiary or beneficiaries of the policy of insurance,~~  
21 ~~notwithstanding he, she or they may not at the time have any such~~  
22 ~~insurable interest as would have enabled him, her or them to obtain~~  
23 ~~a new insurance; and the proceeds of any policy of life or~~  
24 ~~endowment insurance, which is payable to the wife, husband or~~  
25 ~~children of the insured or to a trustee for the benefit of the~~  
26 ~~wife, husband or children of the insured, including the cash value~~  
27 ~~thereof, shall be exempt from execution or liability to any~~  
28 ~~creditor of the insured; and said exemption shall apply to~~  
29 ~~insurance heretofore or hereafter issued; and shall apply to~~

~~1 insurance payable to the above enumerated persons or classes of  
2 persons, whether they shall have become entitled thereto as  
3 originally designated beneficiaries, by beneficiary designation  
4 subsequent to the issuance of the policy, or by assignment (except  
5 in case of transfer with intent to defraud creditors).~~

~~6 (2) If a policy of insurance, or contract of annuity (whether  
7 heretofore or hereafter issued) is effected by any person on his  
8 own life or on another life in favor of a person other than  
9 himself, or (except in cases of transfer with intent to defraud  
10 creditors) if a policy of life insurance is assigned or in any way  
11 made payable to any such person, the lawful beneficiary or assignee  
12 thereof (other than the insured or the person so effecting such  
13 insurance, or his executors or administrators) shall be entitled to  
14 the proceeds and avails (including the cash value thereof) against  
15 the creditors and representatives of the insured and of the person  
16 effecting the same, (whether or not the right to change the  
17 beneficiary is reserved or permitted and whether or not the policy  
18 is made payable in the event that the beneficiary or assignee shall  
19 predecease such person, to the person whose life is insured or the  
20 person effecting the insurance): Provided, That, subject to the  
21 statute of limitations, the amount of any premiums for said  
22 insurance paid with intent to defraud creditors, with interest  
23 thereon, shall inure to their benefit from the proceeds of the  
24 policy: Provided further, That proof that such transfer was made  
25 and a particular debt or claim existed at the time of such transfer  
26 shall be prima facie evidence of intent to defraud said creditor as  
27 to said debt or claim; but the company issuing the policy shall be  
28 discharged of all liability thereon by payment of its proceeds in  
29 accordance with its terms, unless before such payment the company~~

1 ~~shall have written notice at its home office, by or in behalf of a~~  
2 ~~creditor of a claim to recover for transfer made or premiums paid~~  
3 ~~with intent to defraud creditors, with specification of the amount~~  
4 ~~claimed.~~

5 (1) An individual may insure his or her life or the life of  
6 another person in whom he or she has an insurable interest under  
7 this act or at common law.

8 (2) The proceeds of any life insurance policy that are payable  
9 or paid to the spouse or descendants of the insured, or to a  
10 trustee for the benefit of the spouse or descendants of the  
11 insured, including the policy's cash value, are exempt from  
12 execution by or claims of the insured, the insured's estate, the  
13 insured's creditors, and the creditors of the insured's estate.

14 (3) If an individual affects a life insurance policy on his or  
15 her life or on the life of another person in whom he or she has an  
16 insurable interest, or if the individual assigns or transfers the  
17 policy, the lawful beneficiary, assignee, or transferee of the  
18 policy, other than the insured, the individual affecting the  
19 policy, and any of their estates, is entitled to the proceeds and  
20 cash value of the policy against the insured, the individual  
21 effecting the policy, their estates and creditors, and the  
22 creditors of their estates, regardless of whether the right to  
23 change the beneficiary is reserved or permitted or whether the  
24 insured or the individual effecting the policy are contingent  
25 beneficiaries. However, if any policy premiums are paid with intent  
26 to defraud creditors, or if the policy is assigned or transferred  
27 with intent to defraud creditors, premiums, including interest on  
28 the premiums, paid with intent to defraud creditors, with interest  
29 thereon, must inure to the creditors' benefit from the proceeds of

1 the policy, subject to the statute of limitations, and proof that a  
 2 particular debt or claim existed at the time of any assignment or  
 3 transfer is prima facie evidence of intent to defraud the creditor  
 4 as to the debt or claim, subject to the statute of limitations. A  
 5 company issuing the policy is discharged of all liability on the  
 6 policy by payment of its proceeds in accordance with its terms,  
 7 unless before the payment the company has written notice at its  
 8 home office, by or on behalf of a creditor, of a claim to recover  
 9 for an assignment or transfer made, or premiums paid, with intent  
 10 to defraud creditors, and the amount claimed is specified.

11 Sec. 2209. (1) ~~It shall be lawful for any~~ **A** married woman  
 12 **individual may**, by ~~herself,~~ **his or her self** and in **his or** her name  
 13 or in the name of any third person, with ~~his~~ **the individual's**  
 14 **spouse's** assent, as ~~her~~ **the individual's** trustee, ~~to cause to be~~  
 15 ~~insured~~ **insure** for ~~her~~ **the individual's** sole use, the life of ~~her~~  
 16 ~~husband~~ **the individual's spouse** or the life of any other person, in  
 17 ~~any~~ **a** life insurance company of ~~any nature whatever,~~ located in  
 18 either of the states of the United States of America or in Great  
 19 Britain, for any definite period, or for the term of ~~his~~ **the**  
 20 **individual's spouse's** natural life. ~~and in case of her surviving~~  
 21 **If a married individual described in this subsection survives his**  
 22 **or her husband,** ~~spouse~~ or ~~such~~ other person insured in **his or** her  
 23 behalf, the sum or net amount of the policy of insurance due and  
 24 payable by the terms of the ~~insurance,~~ ~~shall~~ **policy must** be payable  
 25 to ~~her,~~ **the individual**, to and for ~~her~~ **the individual's** own use,  
 26 free from the claims of the representatives of ~~her husband,~~ **the**  
 27 **individual's spouse**, or of ~~such~~ **the** other person insured, or of any  
 28 of ~~his~~ **the individual's spouse's** creditors. ~~but such~~ **However, the**  
 29 exemption ~~shall~~ **does** not apply ~~where~~ **if** the amount of premium

1 annually paid ~~shall exceed the sum of~~ **exceeds** \$300.00.

2 (2) ~~In case of the death of the wife~~ **If a married individual**  
 3 **dies** before the ~~decease of her husband,~~ **the individual's spouse** or  
 4 ~~of such other person insured,~~ the amount of the insurance **proceeds**  
 5 may be made payable after ~~her~~ **the individual's** death to ~~her~~ **the**  
 6 **individual's** children **who are less than 18 years of age,** for their  
 7 use, and to their guardian, ~~if under age,~~ or the amount of the  
 8 policy may be disposed of by ~~such~~ **the** married woman by a last will  
 9 ~~and testament.~~ **individual's will.**

10 Sec. 3110. (1) The following persons are conclusively presumed  
 11 to be dependents of a deceased ~~person:~~ **individual.**

12 (a) A wife is dependent on a ~~husband~~ **spouse** with whom she  
 13 lives at the time of ~~his~~ **the spouse's** death.

14 (b) A husband is dependent on a ~~wife~~ **spouse** with whom he lives  
 15 at the time of ~~her~~ **the spouse's** death.

16 (c) A child ~~while under the age of~~ **until the child is** 18 years  
 17 **of age,** or over that age but physically or mentally incapacitated  
 18 from earning, is dependent on the parent with whom he **or she** lives  
 19 or from whom he **or she** receives support regularly at the time of  
 20 the death of the parent.

21 (2) In all other cases, questions of dependency and the extent  
 22 of dependency ~~shall~~ **must** be determined in accordance with the facts  
 23 as they exist at the time of death.

24 (3) The dependency of a surviving spouse terminates ~~upon~~ **on**  
 25 death or remarriage. The dependency of any other ~~person~~ **individual**  
 26 terminates ~~upon~~ **on** the death of the ~~person~~ **individual** and continues  
 27 only ~~so long as~~ **while** the ~~person~~ **individual** is ~~under the age of~~  
 28 **less than 18 years of age,** physically or mentally incapacitated  
 29 from earning, or engaged full time in a formal program of academic

1 or vocational education or training.

2 (4) Personal protection insurance benefits payable for  
3 accidental bodily injury accrue not when the injury occurs but as  
4 the allowable expense, work loss or survivors' loss is incurred.

5 Sec. 3402. An insurer shall not deliver or issue for delivery  
6 in this state a disability insurance policy for an individual or  
7 family unless all of the following requirements are met:

8 (a) The entire money and other considerations for the policy  
9 are expressed in the policy.

10 (b) The time at which the insurance takes effect and  
11 terminates is expressed in the policy.

12 (c) The policy purports to insure only 1 individual, except  
13 that a policy may insure, originally or by subsequent amendment,  
14 ~~upon on~~ the application of an adult member of a family who is  
15 considered to be the policyholder, any 2 or more eligible members  
16 of that family, including ~~husband, wife,~~ **spouses**, dependent  
17 children, any children under a specified age, and any other  
18 individual dependent ~~upon on~~ the policyholder, if coverage is made  
19 available to any dependent child at least until the child turns 26  
20 years of age for a health insurance policy or 19 years of age for a  
21 policy of disability insurance, a policy providing pediatric dental  
22 benefits, or a policy providing pediatric vision benefits.

23 Enacting section 1. This amendatory act does not take effect  
24 unless Senate Joint Resolution \_\_\_\_ or House Joint Resolution F  
25 (request no. 00367'23) of the 102nd Legislature becomes a part of  
26 the state constitution of 1963 as provided in section 1 of article  
27 XII of the state constitution of 1963.