

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 483 Session of
2003

INTRODUCED BY MOWERY, PILEGGI, RAFFERTY, EARLL, TOMLINSON,
TARTAGLIONE, ERICKSON, WENGER, CORMAN, STACK AND C. WILLIAMS,
MARCH 17, 2003

REFERRED TO BANKING AND INSURANCE, MARCH 17, 2003

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," further providing for life
12 insurance applications.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 412 of the act of May 17, 1921 (P.L.682,
16 No.284), known as The Insurance Company Law of 1921, amended
17 April 3, 1992 (P.L.44, No.13), is amended to read:

18 Section 412. Application for Insurance; Insurable
19 Interest.--No policy of life insurance shall be delivered in
20 this Commonwealth except upon the application of the person
21 insured. A person liable for the support of a child may take out
22 a policy of insurance on such child; and persons,

1 copartnerships, associations, and corporations may insure the
2 lives and health of officers, directors, principals, partners,
3 and employes, without the signing of a personal application as
4 hereinbefore required; provided that such persons,
5 copartnerships, associations and corporations shall notify such
6 officers, directors, principals, partners and employes in
7 writing of the intent to purchase a policy of life insurance and
8 obtain the prior written consent of such officers, directors,
9 principals, partners and employes. Any person may insure his own
10 life for the benefit of any person, copartnership, association,
11 or corporation, but no person shall cause to be insured the life
12 of another, unless the beneficiary named in such policy or
13 agreement of life insurance, whether himself or a third person,
14 has an insurable interest in the life of the insured. If a
15 policy of life insurance has been issued in conformity with this
16 section, no transfer of such policy or any interest thereunder
17 shall be invalid by reason of a lack of insurable interest of
18 the transferee in the life of the insured or the payment of
19 premiums thereafter by the transferee. The term "insurable
20 interest" is defined as meaning, in the case of persons related
21 by blood or law, an interest engendered by love and affection,
22 and, in the case of other persons, a lawful economic interest in
23 having the life of the insured continue, as distinguished from
24 an interest which would arise only by the death of the insured.
25 A charitable organization that meets the requirements of section
26 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-
27 514, 26 U.S.C. § 501(c)(3)), as amended, may own or purchase
28 life insurance on an insured who consents to the ownership or
29 purchase of that insurance.

30 Section 2. This act shall take effect in 60 days.