

2. is in addition to any other insurable interest that may exist on the life of an individual party to the contract or option.

(6) THE TRUSTEE OF A TRUST HAS AN INSURABLE INTEREST IN THE LIFE OF AN INDIVIDUAL INSURED UNDER A LIFE INSURANCE POLICY OWNED BY THE TRUST OR THE TRUSTEE OF A TRUST IF, ON THE DATE ON WHICH THE POLICY IS ISSUED:

(I) THE INSURED IS:

1. THE GRANTOR OF THE TRUST;
2. AN INDIVIDUAL RELATED CLOSELY BY BLOOD OR LAW TO THE GRANTOR; OR
3. AN INDIVIDUAL IN WHOM THE GRANTOR OTHERWISE HAS AN INSURABLE INTEREST; AND

(II) THE LIFE INSURANCE PROCEEDS ARE PRIMARILY FOR THE BENEFIT OF TRUST BENEFICIARIES HAVING AN INSURABLE INTEREST IN THE LIFE OF THE INSURED.

(7) A PARTNERSHIP, LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY HAS AN INSURABLE INTEREST IN THE LIFE OF AN INDIVIDUAL INSURED UNDER A LIFE INSURANCE POLICY OWNED BY THE PARTNERSHIP, LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY IF, ON THE DATE ON WHICH THE POLICY IS ~~ISSUED~~:

(~~+~~) ISSUED, SUBSTANTIALLY ALL OF THE OWNERS OF THE PARTNERSHIP, LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY ARE:

- ~~1.~~ (I) THE INSURED;
- ~~2.~~ (II) INDIVIDUALS RELATED CLOSELY BY BLOOD OR LAW TO THE INSURED; OR
- ~~3.~~ (III) INDIVIDUALS PERSONS HAVING AN INSURABLE INTEREST IN THE LIFE OF THE INSURED; ~~OR.~~

(~~H~~) ~~THE PARTNERSHIP, LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY OTHERWISE HAS AN INSURABLE INTEREST IN THE LIFE OF THE INSURED.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all trusts existing before, on, or after June 1, 2006, regardless of the effective date of the governing instrument under which the trust was created, but only as to life insurance policies that are in force and for which the insured is alive on or after June 1, 2006.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2006.

Enacted May 26, 2006.