

(b) If the beneficiary, assignee, or other payee under any contract made in violation of this section receives from the insurer any benefits thereunder accruing upon the death, disablement, or injury of the individual insured, the individual insured or his executor or administrator, as the case may be, may maintain an action to recover such benefits from the person so receiving them.

(c) (1) "Insurable interest" with reference to personal insurance includes only interests as follows:

(1) (I) In the case of individuals related closely by blood or by law, a substantial interest engendered by love and affection.

(2) (II) 1. In the case of other persons, a lawful and substantial economic interest in having the life, health, or bodily safety of the individual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement or injury of the individual insured.

(3) 2. IN THE CASE OF EMPLOYEES OF PUBLIC AND PRIVATE CORPORATIONS, WITH RESPECT TO WHOM THE CORPORATE EMPLOYER OR AN EMPLOYER SPONSORED TRUST FOR THE BENEFIT OF EMPLOYEES IS THE BENEFICIARY UNDER AN INSURANCE CONTRACT, A LAWFUL AND SUBSTANTIAL ECONOMIC INTEREST EXISTS IN:

1. A. KEY EMPLOYEES; AND

2. B. OTHER NONKEY EMPLOYEES WHO HAVE BEEN EMPLOYED BY THE A PUBLIC CORPORATION FOR 12 CONSECUTIVE MONTHS WHO CONSENT IN WRITING PURSUANT TO SUBSECTION (A) OF § 371 OF THIS ARTICLE, PROVIDED THAT THE AMOUNT OF INSURANCE COVERAGE ON THE NONKEY EMPLOYEES SHALL BE LIMITED TO AN AMOUNT COMMENSURATE WITH EMPLOYER-PROVIDED BENEFITS TO THOSE EMPLOYEES.

3. FOR THE PURPOSES OF THIS PARAGRAPH, "PUBLIC CORPORATION" MEANS A CORPORATION WHERE STOCK IS TRADED ON A RECOGNIZED STOCK EXCHANGE OR PURSUANT TO THE NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATION (NASDAQ) SYSTEMS.

(3) (III) An individual heretofore or hereafter party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a closed corporation or of an interest in such shares, has an insurable interest in the life of each individual party to such contract and for the purposes of such contract only, in addition to any insurable interest which may otherwise exist as to the life of such individual.