

CHAPTER 179

(House Bill 25)

AN ACT concerning

Life Insurance - Insurable Interest in Adopted Child

FOR the purpose of clarifying that an insurable interest in the life of a prospective adoptive child exists for the prospective parent of the child as of a certain date; and generally relating to insurable interests in adopted children under life insurance.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 12-201

Annotated Code of Maryland

(1997 Volume and 2000 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Insurance

12-201.

(a) (1) An individual of competent legal capacity may procure or effect an insurance contract on the individual's own life or body for the benefit of any person.

(2) Except as provided in subsection (c) of this section, a person may not procure or cause to be procured an insurance contract on the life or body of another individual unless the benefits under the insurance contract are payable to:

(i) the individual insured;

(ii) the individual insured's personal representative; or

(iii) a person with an insurable interest in the individual insured at the time the insurance contract was made.

(b) (1) With reference to personal insurance, an insurable interest includes only the interests described in this subsection.

(2) (I) For individuals related closely by blood or law, a substantial interest engendered by love and affection is an insurable interest.

(II) FOR THE PROSPECTIVE PARENT OF A PROSPECTIVE ADOPTIVE CHILD, AN INSURABLE INTEREST EXISTS IN THE LIFE OF THE CHILD AS OF THE DATE OF THE EARLIER OF:

~~1. A JUDICIAL DECREE OF ADOPTION; OR~~