

LEGISLATIVE BILL 980

Approved by the Governor April 9, 2004

Introduced by Quandahl, 31

AN ACT relating to insurance; to amend section 44-704, Reissue Revised Statutes of Nebraska; to change provisions relating to ownership of life insurance and annuities; and to repeal the original section.
Be it enacted by the people of the State of Nebraska,

Section 1. Section 44-704, Reissue Revised Statutes of Nebraska, is amended to read:

44-704. (1) Except as provided in subsection (2) of this section, no policy of insurance shall be issued upon the person of any individual except upon the application of the individual insured or with the written consent of the individual insured. Nothing in this section shall be deemed to prohibit the immediate transfer or assignment of a life insurance policy or annuity contract so issued.

(2) Notwithstanding the provisions of subsection (1) of this section, (a) a husband or wife may effectuate a policy of insurance upon the person of the other and (b) any person may effectuate a policy of insurance upon the person of a child.

(3) The term policy of insurance as used in this section shall include any life insurance policy, annuity contract, and contract of sickness and accident insurance but shall not include a contract of group life insurance or a contract of blanket or group sickness and accident insurance.

(4) Nothing in Chapter 44 shall prohibit an organization or entity described in section 501(c)(3) of the Internal Revenue Code or to whom a charitable contribution could be made under section 170(c) of the code or a trust all of whose beneficiaries are organizations or entities described in section 501(c)(3) of the code or to whom a charitable contribution could be made under section 170(c) of the code from procuring, effectuating, or causing to be procured or effectuated the ownership of any life insurance policy or annuity contract upon the life of an individual if such individual gives written consent to the issuance of such policy or contract when such organization, entity, or trust is the original owner of such policy or contract. Nothing in Chapter 44 shall require such organization, entity, or trust to have an insurable interest as defined in section 44-103 in the life of such individual in order for a policy or contract to be procured or effectuated pursuant to this subsection. This subsection shall apply to all policies and contracts in force on or after April 16, 1992. The changes made to this subsection by this legislative bill shall apply to all policies and contracts in force on or after the effective date of this act.

(5) Except as provided in subsection (4) of this section, nothing in this section shall be construed to permit a person to procure, effectuate, or cause to be procured or effectuated, directly or by assignment or otherwise, any policy of insurance upon the person of a child or other individual unless the benefits under such policy are payable to the child or other individual insured, to his or her personal representative, or to a person having, at the time such policy is issued, an insurable interest in the child or other individual insured.

Sec. 2. Original section 44-704, Reissue Revised Statutes of Nebraska, is repealed.