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SENATE BILL NO. 817

Offered January 12, 2018

A BILL to amend and reenact § 38.2-302 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 38.2-3105.1, relating to life insurance on the life of a minor; limits.

Patrons—Saslaw and Norment

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-302 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 38.2-3105.1 as follows:

§ 38.2-302. Life, accident and sickness insurance; application required.

A. No contract of insurance upon a person shall be made or effectuated unless at the time of the making of the contract the individual insured, being of lawful age and competent to contract for the insurance contract, (i) applies for insurance, or (ii) consents in writing to the insurance contract. However:

1. A wife or husband may effect an insurance contract upon each other;

2. Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance, may effect an insurance contract upon the life of or pertaining to the minor, *provided that the policy conforms to the provisions of § 38.2-3105.1*; or

3. A corporate employer or an employee benefit trust having the insurable interest described in subdivision B 3 of subsection B of § 38.2-301, may effect an insurance contract upon the lives of such employees, provided that the employer or trust provides the employee with notice in writing that such insurance has been purchased, the amount of such coverage, and to whom benefits are payable in the event of the employee's death.

B. Nothing in this section shall prohibit a minor from obtaining insurance on his own life as authorized in § 38.2-3105.

§ 38.2-3105.1. Insurance on the life of a minor.

A. An insurer shall not knowingly issue or issue for delivery in the Commonwealth a policy of life insurance upon the life of an individual under the age of five years.

B. An insurer shall not knowingly issue or issue for delivery in the Commonwealth a policy of life insurance upon the life of a minor who is at least five years of age but under the age of 15 years unless the amount of the policy, including any additional benefits payable in the event of death by accident, is for an amount that, together with the amount of life insurance under any other policy or policies then in force upon the life of such individual, does not exceed \$50,000.

C. If an insurer issues or issues for delivery in the Commonwealth a policy of life insurance on the life of a minor who is at least five years of age but under the age of 15 years for an amount in excess of the limit prescribed by subsection B, the amount under such policy that is in excess of the limit shall not be valid or payable as a claim by death, so long as and to the extent that the amount continues to be in excess of the limit.

D. Notwithstanding the limit prescribed by subsection B, a domestic insurer may issue for delivery in another state or foreign country any life insurance policy that is governed by the laws of such state or country for any amount not prohibited by the laws of such other state or country.

INTRODUCED

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