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OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

# WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 1992



# ENROLLED

HOUSE BILL No. 4207

(By Delegates Susman and Williams)



Passed March 5, 1992

In Effect Ninety Days From Passage

**ENROLLED**  
**H. B. 4207**

(By DELEGATES SUSMAN AND WILLIAMS)

[Passed March 5, 1992; in effect ninety days from passage.]

AN ACT to amend and reenact section two, article six, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to life insurance policies and defining those parties having an insurable interest in the same, including relatives, those with business or economic interests, and charitable institutions.

*Be it enacted by the Legislature of West Virginia:*

That section two, article six, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

**ARTICLE 6. THE INSURANCE POLICY.**

**§33-6-2. Insurable interest in one's own life or life of another; actions to recover benefits; insurable interests defined; requirements for charitable institutions.**

- 1 (a) Any individual of competent legal capacity may
- 2 procure or effect an insurance contract upon his own life
- 3 or body for the benefit of any person. But no person shall
- 4 procure or cause to be procured any insurance contract
- 5 upon the life or body of another individual unless the
- 6 benefits under such contract are payable to the individ-
- 7 ual insured or his personal representative or to a person
- 8 having, at the time when such contract was made, an
- 9 insurable interest in the individual insured.

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

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

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

23 (2) In the case of other persons, a lawful and substan-  
24 tial economic interest in having the life, health, or bodily  
25 safety of the individual insured continue, as distin-  
26 guished from an interest which would arise only by, or  
27 would be enhanced in value by, the death, disablement  
28 or injury of the individual insured.

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

37 (4) A charitable institution as defined under Sections  
38 501(c)(3), 501(c)(6), 501(c)(8) and 501(c)(9) of the Internal  
39 Revenue Code of 1986, as amended.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Homer Heck*

Chairman Senate Committee

*Ernest C Moore*

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

*Naselle P. Adams*

Clerk of the Senate

*Donald L. Kopp*

Clerk of the House of Delegates

*Keith Burdette*

President of the Senate

*Robert C. Bell*

Speaker of the House of Delegates

The within is approved this the 15<sup>th</sup> day of *March*, 1992.

*Yaston Caperton*  
Governor

PRESENTED TO THE

GOVERNOR

Date 3/13/92

Time 4:16 pm