WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1996

ENROLLED

SENATE BILL NO. 274

(By Senator Wooton, et al)

PASSED March 7, 1996
In Effect NINETY DAYS FROM PASSAGE
ENROLLED

Senate Bill No. 274

(By Senators Wooton, Anderson, Bowman, Buckalew, Deem, Dittmar, Grubb, Miller, Ross, Scott, Wagner, Wiedebusch and Yoder)

[Passed March 7, 1996; in effect ninety days from passage.]

AN ACT to amend article six, chapter forty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section two-a, relating to clarifying the duties of the trustee of an irrevocable life insurance trust.

Be it enacted by the Legislature of West Virginia:

That article six, chapter forty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section two-a, to read as follows:

ARTICLE 6. INVESTMENTS BY FIDUCIARIES.
§44-6-2a. Duties of the trustee of an irrevocable life insurance trust.

1 (a) Unless otherwise directed by the terms of the trust instrument, the duties of a trustee of an irrevocable life
insurance trust with respect to acquiring or retaining a contract of insurance upon the life of the settlor, or the lives of the settlor and the settlor's spouse, do not include a duty: (i) To determine whether any such contract is or remains a proper investment; (ii) to exercise policy options available under any such contract in the event the policy lapses or is terminated due to failure to pay premiums; or (iii) to diversify any such contract. A trustee is not liable to the beneficiaries of the trust or to any other party for any loss arising from the absence of those duties upon the trustee.

(b) The trustee of a trust described under subsection (a) of this section which was established prior to the effective date of this section, shall notify the settlor in writing that, unless the settlor provides written notice to the contrary to the trustee within sixty days of the trustee's notice, the provisions of subsection (a) of this section shall apply to the trust. Subsection (a) of this section shall not apply if, within sixty days of the trustee's notice, the settlor notifies the trustee that subsection (a) does not apply.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.
In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within is approved this the 25th day of , 1996.

Governor