

CHAPTER NO. 658

SENATE BILL NO. 3496

By Atchley

Substituted for: House Bill No. 3589

By Hargrove, Bowers, Head

AN ACT to amend Tennessee Code Annotated, Section 56-7-314, relative to the purchase or assignment of life insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-314, is amended by deleting the section in its entirety, and by substituting instead the following language:

If a charitable organization purchases or receives by assignment, before, on or after April 23, 1992, life insurance on an insured who consents in writing to the purchase or assignment, the charitable organization is deemed to have or to have had an insurable interest in the insured person's life on the date of purchase or assignment. For purposes of this section, a "charitable organization" means:

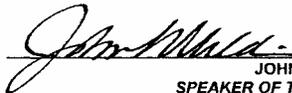
(1) Any organization described in § 501(c)(3) of the Internal Revenue Code of 1986, as amended;

(2) Any organization to whom a charitable contribution could be made under § 170(c) of the Internal Revenue Code of 1986, as amended; or

(3) Any trust, partnership, limited liability company or similar entity approved in writing as the beneficiary and irrevocable owner of the life insurance by an organization described in subdivision (1) or (2) of this section. This section does not limit or abridge any insurable interest existing on April 23, 1992, at common law or by statute.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 3, 2004


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 14th day of May 2004


PHIL BREDESEN, GOVERNOR