

House Bill 3184

Sponsored by Representative THATCHER (at the request of Dan Kohler)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows insurance policies for insured's funeral expenses to be entered into by family members, spouses and persons financially responsible for insured. Waives insured's consent requirements if policy is entered into by family members and persons financially responsible for insured.

A BILL FOR AN ACT

1
2 Relating to funeral expense insurance policies; creating new provisions; and amending ORS 743.024
3 and 743.027.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. As used in ORS 743.024 and ORS 743.027, "funeral expenses" has the meaning**
6 **given that term in ORS 147.005.**

7 **SECTION 2.** ORS 743.024 is amended to read:

8 743.024. (1) Any individual of competent legal capacity may procure or effect an insurance policy
9 on the individual's own life or body for the benefit of any person. However, except as provided in
10 ORS **743.027** and 743.030, no person shall procure or cause to be procured any insurance policy upon
11 the life or body of another unless the benefits under such policy are payable to:

12 (a) The individual insured or the personal representatives of the individual; [*or to*]

13 (b) A person having, at the time such policy was entered into, an insurable interest in the in-
14 dividual insured; **or**

15 (c) **A person as compensation for the funeral expenses of an individual who is at least**
16 **18 years of age and is:**

17 (A) **Dependent upon the person procuring or causing to be procured the insurance policy**
18 **for support or maintenance;**

19 (B) **Related to the person procuring or causing to be procured the insurance policy as a**
20 **child, sibling, parent, grandparent or great-grandparent; or**

21 (C) **The spouse of the person procuring or causing to be procured the insurance policy**
22 **at the time the policy was effectuated.**

23 (2) If the beneficiary, assignee or other payee under any policy made in violation of this section
24 receives from the insurer any benefits thereunder accruing upon the death, disablement or injury
25 of the individual insured, the individual insured or the individual's executor or administrator, as the
26 case may be, may maintain an action to recover such benefits from the person so receiving them.

27 (3) An insurer shall be entitled to rely upon all statements, declarations and representations
28 made by an applicant for insurance relative to the matter of insurable interest. No insurer shall
29 incur legal liability, except as set forth in the policy, by virtue of any untrue statements, declara-
30 tions or representations so relied upon in good faith by the insurer.

31 (4) This section does not apply to annuity policies.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 **SECTION 3.** ORS 743.027 is amended to read:

2 743.027. [No] A life or health insurance policy upon an individual, except a policy of group life
3 insurance or of group or blanket health insurance, [shall] **may not** be made or effectuated unless
4 at the time of the making of the policy the individual insured, being of competent legal capacity to
5 contract, applies therefor or has consented thereto in writing, except in the following cases:

6 (1) A spouse may effectuate such insurance upon the other spouse.

7 (2) Any person having an insurable interest in the life of a minor, or any person upon whom a
8 minor is dependent for support and maintenance, may effectuate insurance upon the life of or per-
9 taining to such minor.

10 (3) Family policies may be issued insuring any two or more members of a family on an applica-
11 tion signed by either parent, a stepparent, or by a husband or wife.

12 (4) A person may effectuate insurance that provides for the [final] **funeral** expenses of an
13 [adult] **individual** who is **at least 18 years of age and is:**

14 (a) Dependent upon the person for support and maintenance; **or**

15 (b) **Related to the person effectuating the insurance as a child, sibling, parent,**
16 **grandparent or great-grandparent.**

17
