

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 518
SENATE BILL 45

AN ACT TO PERMIT A PERSON'S LIFE TO BE INSURED FOR THE BENEFIT OF HIS
OR HER SPOUSE OR CHILDREN OR BOTH.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-205, as it appears in the 1975 Replacement Volume 2B, is amended by rewriting the last sentence to read as follows:

"A person may insure his or her own life for the sole use and benefit of his or her spouse, or children, or both, and upon his or her death the proceeds from the insurance shall be paid to or for the benefit of the spouse, or children, or both, or to a guardian, free from all claims of the representatives or creditors of the insured or his or her estate. Any insurance policy which insures the life of a person for the sole use and benefit of that person's spouse, or children, or both, shall not be subject to the claims of creditors of the insured during his or her lifetime, whether or not the policy reserves to the insured during his or her lifetime any or all rights provided for by the policy and whether or not the policy proceeds are payable to the estate of the insured in the event the beneficiary or beneficiaries predecease the insured."

Sec. 2. This act shall become effective 30 days after certification by the State Board of Elections that an amendment to the Constitution of North Carolina rewriting Article X, Section 5, to permit a person's life to be insured for the benefit of his or her spouse or children or both, has been approved by the people of the State.

In the General Assembly read three times and ratified, this the 9th day of June, 1977.