

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1277

Introduced by

Representatives Berg, Carlson

Senators Mutch, Krebsbach

1 A BILL for an Act to create and enact a new section to chapter 59-02 of the North Dakota
2 Century Code, relating to the duty of a trustee with respect to acquiring or retaining a life
3 insurance policy; and to provide for retroactive application.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 59-02 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Acquisition and retention of life insurance policies.** Notwithstanding section
8 59-02-08 or any other provision of law, the duty of a trustee with respect to acquiring or
9 retaining a life insurance policy upon the life of the trustor, or upon the lives of the trustor and
10 the trustor's spouse, children, or parents, do not include a duty to:

- 11 1. Determine whether any life insurance policy is or remains a proper investment;
- 12 2. Exercise policy options available under the policy; or
- 13 3. Diversify a policy.

14 A trustee is not liable to the beneficiaries under the trust instrument or to any other party for any
15 loss resulting from the absence of these duties. Unless the trust instrument specifically
16 provides otherwise, this section applies both retroactively and prospectively, to any trust
17 established before or after the effective date of this Act and to any life insurance policy acquired
18 by a trustee before or after the effective date of this Act.