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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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SB 509 Reengrossed

DIGEST  
2026 Regular Session

Cloud

Present law allows a bank to purchase a life insurance policy on an employee when the bank has a lawful and substantial economic interest in the employee's continued life, health, or bodily safety. Proposed law retains present law.

Proposed law defines policies held by the bank on the life of its employees as bank-owned life insurance.

Proposed law provides that a bank continues to have an insurable interest in the life of a former employee for purposes of bank-owned life insurance.

Proposed law allows the exchange of a bank-owned life insurance policy with another life insurance policy of the same type and death benefit amount.

Effective August 1, 2026.

(Adds R.S. 22:920)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Remove requirement that a former employee provide written consent to the exchange.
2. Make technical changes.