

MACOMB COUNTY EMPLOYEES' RETIREMENT SYSTEM

POLICY RESOLUTION

Adopted: May 9, 1997

Re-adopted: August 28, 2014

RE: Insurable Interest

WHEREAS, the Board of Trustees, pursuant to Section 3 of the Retirement Ordinance, is vested with the general administration, management and responsibility for the proper operation of the Retirement System, and for construing and making effective the provisions of this Ordinance, and

WHEREAS, Section 26 of the Retirement System Ordinance provides in pertinent part as follows:

...upon the death of a retirant, his/her reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his/her life, as he/she shall have nominated by written designation duly executed and filed with the Commission prior to the beginning date of his/her retirement allowance...

WHEREAS, the Board of Trustees acknowledges that a member may nominate, as an Option A or Option B beneficiary, an individual who has an "insurable interest" in the life of the member, and

WHEREAS, the Board of Trustees is of the opinion that is in the best interest of the Plan's participant and beneficiaries to provide clarification with respect to the term "insurable interest", and

WHEREAS, the Board of Trustees has discussed this matter, therefore be it

RESOLVED, that the Board of Commissioners hereby recognizes that the definition of "insurable interest", as contained within the Retirement Ordinance, shall include:

- (1) the spouse of a member;
- (2) the natural or adopted child or children of a member,
- (3) a brother, sister, father, or mother of a member, or
- (4) as otherwise determined by the Retirement Board based upon reasonable grounds, founded on the relations of the parties, either pecuniary or contractual or by blood or affinity.

RESOLVED, that a copy of this resolution shall be forwarded to all appropriate parties.