

1 **REVOCATION OF DEATH BENEFITS BY**
2 **DIVORCE**

3 2006 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Karen Hale**

6 House Sponsor: Lorie D. Fowlke

8 **LONG TITLE**

9 **General Description:**

10 This bill repeals a section that duplicates the intent of another section of the code.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ repeals a duplicate section dealing with revocation of revocable beneficiary
- 14 designations when parties divorce; and
- 15 ▶ makes technical changes.

16 **Monies Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **31A-22-413**, as last amended by Chapter 369, Laws of Utah 1999

23 REPEALS:

24 **30-3-7.5**, as enacted by Chapter 369, Laws of Utah 1999

26 *Be it enacted by the Legislature of the state of Utah:*

27 Section 1. Section **31A-22-413** is amended to read:

28 **31A-22-413. Designation of beneficiary.**

29 (1) Subject to Subsection 31A-22-412(2), no life insurance policy or annuity contract

30 may restrict the right of a policyholder or certificate holder:

31 (a) to make an irrevocable designation of beneficiary effective immediately or at some
32 subsequent time; or

33 (b) if the designation of beneficiary is not explicitly irrevocable, to change the
34 beneficiary without the consent of the previously designated beneficiary. Subsection
35 75-6-201(1)(c) applies to designations by will or by separate writing.

36 (2) An insurer may prescribe formalities to be complied with for the change of
37 beneficiaries, but those formalities may only be designed for the protection of the insurer. The
38 insurer discharges its obligation under the insurance policy or certificate of insurance if it pays
39 the properly designated beneficiary unless it has actual notice of either an assignment or a
40 change in beneficiary designation made pursuant to Subsection (1)(b) or Section [~~30-3-7.5~~
41 75-2-804]. The insurer has actual notice if the formalities prescribed by the policy are complied
42 with, or if the change in beneficiary has been requested in the form prescribed by the insurer
43 and delivered to an agent representing the insurer at least three days prior to payment to the
44 earlier properly designated beneficiary.

45 **Section 2. Repealer.**

46 This bill repeals:

47 **Section 30-3-7.5, Revocation of death benefits by divorce or annulment.**