SLS 24RS-270 REENGROSSED

2024 Regular Session

SENATE BILL NO. 49

BY SENATOR MILLER

DIVORCE. Provides for the revocation of beneficiary designation for certain assets. (8/1/24)

AN ACT

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To enact R.S. 9:2449.1 and R.S. 22:911.1, relative to divorce; to provide with respect to certain beneficiary designation prior to divorce; to provide for the automatic revocation of certain benefits upon divorce; to provide with respect to certain retirement accounts; to provide relative to life insurance; to provide for liability of payor of certain proceeds upon death; to provide relative to exceptions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 9:2449.1 is hereby enacted to read as follows:

§2449.1. Revocation upon divorce; deferred compensation plans

A. A divorce of an individual from the individual's spouse revokes any benefit payable to the former spouse by reason of the individual's death under any pension, profit-sharing, retirement, or similar benefit plan, provided the divorce occurs after the beneficiary is designated, the parties remained divorced from each other at the time of death, and no judgment or property-settlement agreement expressly provides otherwise. If revocation occurs, the proceeds of the plan are payable as if the former spouse had predeceased the decedent.

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Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	B. A payor is not liable for having made payment in good faith reliance
2	on the validity of a beneficiary designation affecting any pension, profit-sharing,
3	retirement, or similar benefit plan before the payor has received written notice
4	of the divorce, judgment, or property-settlement agreement at its home office
5	or principal office with notice that the beneficiary designation has been revoked
6	under this Section, and has had a reasonable time within which to act.
7	C. This Section shall not apply to any beneficiary designation made
8	pursuant to the Louisiana Public Retirement Law.
9	Section 2. R.S. 22:911.1 is hereby enacted to read as follows:
10	§911.1. Revocation upon divorce; beneficiary designation in life insurance and
11	annuity contracts
12	A. In all policies of life or endowment insurance and in all annuity
13	contracts, divorce revokes any revocable designation made by a divorced
14	individual to the former spouse, provided the divorce occurs after the
15	beneficiary is designated, the parties remained divorced from each other at the
16	time of death, and no judgment or property-settlement agreement expressly
17	provides otherwise. If revocation occurs, the proceeds of the policy or annuity
18	contract are payable as if the former spouse had predeceased the decedent.
19	B. A payor is not liable for having made payment in good faith reliance
20	on the validity of a beneficiary designation affecting any insurance policy or
21	annuity before the payor has received written notice of the divorce, judgment,
22	or property-settlement agreement, and has had a reasonable time within which
23	to act.
24	Section 3. The provisions of this Act shall be given prospective application only and
25	shall not apply to beneficiaries named prior to the effective date of this Act.

The original instrument was prepared by Angela Lockett-De Jean. The following digest, which does not constitute a part of the legislative instrument, was prepared by Hanna Gettys.

DIGEST 2024 Regular Session

SB 49 Reengrossed

Miller

<u>Proposed law</u> (R.S. 9:2449.1) provides for the automatic revocation of any benefit payable to a former spouse if the parties were divorced after the beneficiary is designated, they remained divorced at the time of a party's death, and no agreement expressly provides otherwise.

<u>Proposed law</u> provides that a payor is not liable for having made payment in good faith reliance on the validity of a beneficiary designation affecting any pension, profit-sharing, retirement, or similar benefit plan before the payor has received written notice of the divorce, judgment, or property-settlement agreement at its home office or principal office with notice that the beneficiary designation has been revoked under <u>proposed law</u>, and has had a reasonable time within which to act.

<u>Proposed law</u> provides that <u>proposed law</u> shall not apply to any beneficiary designation made pursuant to the Louisiana Public Retirement Law.

<u>Proposed law</u> (R.S. 22:911.1) provides for the automatic revocation of any benefit payable to a former spouse in a life insurance policy if the parties were divorced after the beneficiary is designated, they remained divorced at the time of a party's death, and no agreement expressly provides otherwise.

<u>Proposed law</u> provides that a payor is not liable for having made payment in good faith reliance on the validity of a beneficiary designation affecting any insurance policy or annuity before the payor has received written notice of the divorce, judgment, or property-settlement agreement, and has had a reasonable time within which to act.

<u>Proposed law</u> provides that the provisions of <u>proposed law</u> shall have prospective application only and shall not apply to beneficiaries named prior to the effective date of <u>proposed law</u>.

Effective August 1, 2024.

(Adds R.S. 9:2449.1 and R.S. 22:911.1)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Clarifies that the payor receiving written notice of a property-settlement agreement must be at its home office or principal office and that the notice state that the beneficiary designation has been revoked.