

AN ACT

ENTITLED, An Act to revise the requirements for the assignment of certain funeral benefits.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 58-37A-17 be amended to read as follows:

58-37A-17. The owner of a benefit contract may change the beneficiaries in accordance with the laws or rules of the society unless the owner waives this right by specifically requesting in writing that the beneficiary designation be irrevocable. A society may, through its laws or rules, limit the scope of beneficiary designations and shall provide that no revocable beneficiary may obtain any vested interest in the proceeds of any certificate until the certificate has become due and payable in conformity with the provisions of the benefit contract. A society shall honor the request of the owner of a benefit contract to assign the contract to, or designate an irrevocable beneficiary of, a trust which provides for the payment of funeral or burial related expenses and is established by the insured, the insurer, or owner of the benefit contract, unless the request does not conform to the laws or rules of the society. In no event may the certificate proceeds paid to such a trust exceed the actual funeral or burial related expenses incurred.

A society may provide for the payment of funeral benefits to the extent of the portion of any payment under a certificate as might reasonably appear to be due to any person equitably entitled to it by reason of having incurred expense occasioned by the burial of the member. A society shall honor the request of the owner of a benefit contract to collaterally assign the contract to, or make an irrevocable beneficiary designation of, a funeral home solely for the payment of funeral or burial related expenses, unless the request does not conform to the laws or rules of the society.

If, at the death of any person insured under a benefit contract, there is no lawful beneficiary to whom the proceeds are payable, the amount of the benefit, except to the extent that funeral benefits may be paid as provided in this chapter, is payable to the estate of the deceased insured the same as

other property not exempt. However, if the owner of the certificate is other than the insured, the proceeds are payable to the owner.

An Act to revise the requirements for the assignment of certain funeral benefits.

=====

I certify that the attached Act
originated in the

HOUSE as Bill No. 1254

Chief Clerk

=====

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1254

File No. _____

Chapter No. _____

=====

Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

=====

The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

=====

STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State