

State of South Dakota

EIGHTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2010

919R0742

HOUSE BILL NO. 1254

Introduced by: Representatives Hoffman, Bolin, Greenfield, Hamiel, Kirkeby, Kopp, Krebs, Moser, Romkema, and Turbiville and Senators Gant, Brown, and Hundstad

1 FOR AN ACT ENTITLED, An Act to permit the assignment of certain funeral benefits.

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

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

4 58-37A-17. The owner of a benefit contract may change the beneficiaries in accordance with
5 the laws or rules of the society unless the owner waives this right by specifically requesting in
6 writing that the beneficiary designation be irrevocable. A society may, through its laws or rules,
7 limit the scope of beneficiary designations and shall provide that no revocable beneficiary may
8 obtain any vested interest in the proceeds of any certificate until the certificate has become due
9 and payable in conformity with the provisions of the benefit contract. An irrevocable assignment
10 of ownership or an irrevocable beneficiary designation may be made to a trust established by
11 the insured, the owner of the policy or contract, or the society, which shall provide for the
12 payment for any funeral or burial related expenses designated in the trust and for any payment
13 due the beneficiaries entitled thereto or, if applicable, the estate of the insured. A society may
14 not make payments in excess of the amount of funeral or burial related expenses to a trust
15 established by the funeral home or funeral director.



1 A society may provide for the payment of funeral benefits to the extent of the portion of any
2 payment under a certificate as might reasonably appear to be due to any person equitably entitled
3 to it by reason of having incurred expense occasioned by the burial of the member. ~~However,~~
4 ~~the portion so paid may not exceed the sum of ten thousand dollars.~~ A society shall honor any
5 valid collateral assignment that is properly executed including an irrevocable assignment or
6 irrevocable beneficiary designation for the payment of incurred funeral or burial related
7 expenses. Unless the society has its own collateral assignment form readily available, the society
8 shall accept a collateral assignment form prescribed by the director by rule pursuant to chapter
9 1-26.

10 If, at the death of any person insured under a benefit contract, there is no lawful beneficiary
11 to whom the proceeds are payable, the amount of the benefit, except to the extent that funeral
12 benefits may be paid as provided in this chapter, is payable to the estate of the deceased insured
13 the same as other property not exempt. However, if the owner of the certificate is other than the
14 insured, the proceeds are payable to the owner.