

# State of South Dakota

EIGHTY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2010

919R0742

HOUSE ENGROSSED NO. **HB 1254** - 2/23/2010

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 revise the requirements for the assignment of certain  
2 funeral benefits.

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

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

5 58-37A-17. The owner of a benefit contract may change the beneficiaries in accordance with  
6 the laws or rules of the society unless the owner waives this right by specifically requesting in  
7 writing that the beneficiary designation be irrevocable. A society may, through its laws or rules,  
8 limit the scope of beneficiary designations and shall provide that no revocable beneficiary may  
9 obtain any vested interest in the proceeds of any certificate until the certificate has become due  
10 and payable in conformity with the provisions of the benefit contract. A society shall honor the  
11 request of the owner of a benefit contract to assign the contract to, or designate an irrevocable  
12 beneficiary of, a trust which provides for the payment of funeral or burial related expenses and  
13 is established by the insured, the insurer, or owner of the benefit contract, unless the request  
14 does not conform to the laws or rules of the society. In no event may the certificate proceeds  
15 paid to such a trust exceed the actual funeral or burial related expenses incurred.



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 the  
5       request of the owner of a benefit contract to collaterally assign the contract to, or make an  
6       irrevocable beneficiary designation of, a funeral home solely for the payment of funeral or burial  
7       related expenses, unless the request does not conform to the laws or rules of the society.

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