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SENATE BILL NO. 305

Offered January 19, 2000

A BILL to amend and reenact § 20-111.1 of the Code of Virginia, relating to revocation of death benefits upon divorce; exceptions.

Patrons—Reynolds; Delegate: Armstrong (By Request)

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That § 20-111.1 of the Code of Virginia is amended and reenacted as follows:

§ 20-111.1. Revocation of death benefits by divorce or annulment.

Upon the entry of a decree of annulment or divorce from the bond of matrimony on and after July 1, 1993, any revocable beneficiary designation contained in a then existing written contract owned by one party that provides for the payment of any death benefit to the other party is revoked. A death benefit prevented from passing to a former spouse by this section shall be paid as if the former spouse had predeceased the decedent. The payor of any death benefit shall be discharged from all liability upon payment in accordance with the terms of the contract providing for the death benefit, unless the payor receives written notice of a revocation under this section prior to payment.

The term "death benefit" includes any payments under a life insurance contract, annuity, retirement arrangement, compensation agreement or other contract designating a beneficiary of any right, property or money in the form of a death benefit.

This section shall not apply (i) to the extent a decree of annulment or divorce from the bond of matrimony, or a written agreement of the parties provides for a contrary result as to specific death benefits, or (ii) to any trust or any death benefit payable to or under any trust.

Notwithstanding any other provision of law, in the event that the former spouse of the deceased who owned the policy has been designated the beneficiary of such policy and such former spouse contracted with a funeral home to provide funeral services for the deceased, the funeral home shall be paid out of the proceeds of the death benefit. The deceased's beneficiaries shall receive the difference between the amount of the death benefits and the amount of the funeral services contracted for by the surviving former spouse.

INTRODUCED

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