

Article - Insurance

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§16–212.

(a) (1) Each policy of life insurance shall have the name of the beneficiary designated on the policy, or in the application or another form if attached to the policy, with a reservation of the right to designate or change the beneficiary after the policy is issued, unless the beneficiary is irrevocably designated.

(2) An insurer may include in the policy a provision that a designation or change of beneficiary is not binding on the insurer until endorsed on the policy or otherwise accepted by the insurer.

(b) (1) Subject to paragraph (2) of this subsection, a policy of life insurance may provide that the insurer may make a payment under the policy to:

- (i) the estate of the insured;
- (ii) any relative of the insured by blood, legal adoption, or connection by marriage; or
- (iii) a person that appears to the insurer to be equitably entitled to the benefits because the person is a named beneficiary or has incurred expenses for the maintenance, medical attention, or burial of the insured.

(2) The insurer may make a payment under paragraph (1) of this subsection only if:

- (i) within the period stated in the policy, which may not be less than 30 days after the death of the insured, the beneficiary designated in the policy does not make a claim under the policy or does not surrender the policy with proof of death;
- (ii) the beneficiary is the estate of the insured;
- (iii) the beneficiary is a minor;
- (iv) the beneficiary dies before the insured; or
- (v) the beneficiary is not legally competent to give a valid release.

(3) A policy of life insurance may include a provision that is similar to that described in paragraphs (1) and (2) of this subsection and is applicable to any other payment due under the policy.

(4) A policy of industrial life insurance also may provide that the insurer may refuse to endorse the name of any proposed beneficiary who does not appear to the insurer to have an insurable interest in the life of the insured.

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