

Regular Session, 2014

SENATE BILL NO. 607

BY SENATOR GALLOT

DIVORCE. Provides relative to the effect of a divorce or pending divorce on the designation by an individual of the individual's spouse or former spouse as beneficiary in certain agreements upon the death of the individual. (8/1/14)

1 AN ACT
2 To enact R.S. 9:314, relative to divorce; to provide for the effect of divorce or pending
3 divorce on the designation by an individual of the individual's spouse or former
4 spouse as beneficiary in certain agreements upon the death of the individual; and to
5 provide for related matters.
6 Be it enacted by the Legislature of Louisiana:
7 Section 1. R.S. 9:314 is hereby enacted to read as follows:
8 **§314. Effect of divorce or pending divorce on designation of beneficiary**
9 **A. If at the time of the death of an individual domiciled in Louisiana, the**
10 **individual is divorced or is a party to a pending divorce proceeding in which no**
11 **divorce decree has been entered pursuant to law but for which grounds for**
12 **divorce have been established in the proceedings as provided by law, then any**
13 **designation of the individual's spouse or former spouse as beneficiary of the**
14 **individual's life insurance policy, annuity contract, pension or profit-sharing**
15 **plan, or other contractual arrangement providing for payment to the spouse or**
16 **former spouse, which designation was revocable by the individual but was not**
17 **revoked prior to the individual's death, is ineffective and shall be construed as**

1 if the spouse or former spouse had predeceased the individual except as
2 provided in Subsection B of this Section.

3 B. The provisions of Subsection A of this Section shall not apply if the
4 designation was intended to survive the divorce based on at least one of the
5 following:

6 (1) The wording of the designation.

7 (2) A court order.

8 (3) A written contract between the individual and the spouse or former
9 spouse.

10 (4) A designation of a former spouse as a beneficiary after the divorce
11 decree has been issued.

12 C.(1) Unless restrained by court order, no insurance company, pension
13 or profit-sharing plan trustee or other obligor shall be liable for making
14 payment to a spouse or former spouse that would have been proper in the
15 absence of this Section.

16 (2) Any spouse or former spouse to whom payment is made shall be
17 answerable to anyone prejudiced by the payment.

18 D. The provisions of this Section shall not apply to any retirement
19 system for public employees as referenced in Article X, Section 29(C) of the
20 Constitution of Louisiana.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Jerry J. Guillot.

DIGEST

Gallot (SB 607)

Proposed law provides that if at the time of the death of an individual domiciled in Louisiana, the individual is divorced or is a party to a pending divorce proceeding in which no divorce decree has been entered pursuant to law but for which grounds for divorce have been established in the proceedings as provided by law, then any designation of the individual's spouse or former spouse as beneficiary of the individual's life insurance policy, annuity contract, pension or profit-sharing plan, or other contractual arrangement providing for payment to the spouse or former spouse, which designation was revocable by the individual but was not revoked prior to the individual's death, is ineffective and shall be construed as if the spouse or former spouse had predeceased the individual except as provided in proposed law.

Provides that proposed law shall not apply if the designation was intended to survive the divorce based on at least one of the following:

- (1) The wording of the designation.
- (2) A court order.
- (3) A written contract between the individual and the spouse or former spouse.
- (4) A designation of a former spouse as a beneficiary after the divorce decree has been issued.

Proposed law provides that unless restrained by court order, no insurance company, pension or profit-sharing plan trustee or other obligor shall be liable for making payments to a spouse or former spouse that would have been proper in the absence of proposed law. Further provides that any spouse or former spouse to whom payment is made shall be answerable to anyone prejudiced by the payment.

Proposed law does not apply to any retirement system for public employees.

Effective August 1, 2014.

(Adds R.S. 9:314)