Supreme Court Again Upholds Ex-Spouse's Rights as Designated Beneficiary

Have you recently reviewed and updated your beneficiary designations on your life insurance policies and other financial accounts? The United States Supreme Court in a June 3, 2013 opinion just reminded you why you should: *the policy proceeds may actually go to your designated beneficiary.*

In *Hillman v. Maretta*, a federal employee left his ex-wife as the designated beneficiary on his federal employee group life insurance policy, even after he remarried.   A state law would have automatically terminated the ex-wife's beneficiary rights at the time of the divorce, but a federal law required the insurance proceeds to go to the designated beneficiary, regardless of the unexpected change in circumstance. In the end, the court respected the beneficiary designation and held that the ex-wife was entitled to the life insurance proceeds – a result the deceased husband could have avoided by timely updating his beneficiary designation.

Similar rules and results apply in the context of retirement plans. *See Kennedy v. Plan Administrator for DuPont Savings and Investment Plan.*

Depending on how your assets are allocated, the beneficiary designations for these policies and accounts can be just as important as the beneficiary designations in your will, trust, and other estate planning documents. Birth, adoption, divorce, marriage, and death of family members are a few reasons to review all of your beneficiary designations. The estate and succession planning attorneys at Robison, Curphey & O'Connell are equipped to assist you in all of your wealth and business planning needs.

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