

Beneficiary

A beneficiary is a person(s) or financial institution (i.e. trust fund) named in an insurance policy as the recipient of the funds in the policy in the event the policyholder dies. You may also want to name a secondary or “contingent” beneficiary, in case you outlive the first beneficiary. Proceeds of a life insurance policy are typically tax-exempt with the exception of any interest earned.

If you do not name a beneficiary or none of your beneficiaries survive you, equal payment is made to the first of the following:

1. Your spouse
2. Equal shares to your children
3. Equal shares to your parents
4. Equal shares to your sisters and brothers
5. Your estate

If there is no living beneficiary, the proceeds will be paid to your estate and will have to go through probate proceedings, resulting in a possible delay before your family receives the proceeds. If the proceeds go into the estate, these proceeds may be subject to estate taxes.

When you become eligible for basic life insurance, you should receive a letter and beneficiary form in the mail from Minnesota Life that you can complete and mail directly to Minnesota Life. You also can designate your beneficiary online at lifebenefits.com. The beneficiary form also can be printed off the DAS website under the forms section of the website. The beneficiary form lets you name the beneficiary of your basic life insurance policy.

Note: If you have both basic and supplemental life insurance with Minnesota Life, the beneficiary you designate for one of the policies will be the same beneficiary for the other policy. Whichever beneficiary you designate last will apply to both policies. Therefore, it is not possible for you to have a different beneficiary for each of the policies.

You may change your beneficiary at any time by completing a new Beneficiary Designation Form, or online via the Minnesota Life website at lifebenefits.com. The change is not effective until it is recorded by Minnesota Life. Once recorded, it will take effect as of the date the form was signed, or the date the beneficiary designation was made online. However, if a death occurs before the change request was received, payments already made will not be altered.