

Obtaining life insurance coverage can be an important part in planning your future. However, do you know who would inherit your assets if you passed away tomorrow?

While not pleasant to think about, it's important you're prepared should the unthinkable happen. Part of that preparation is naming a beneficiary for your life insurance.

Did you know?

- Some life insurance policies pay death benefit proceeds in an order of preference (i.e. spouse, children, parents, siblings) when no beneficiary is named.
- Other life insurance coverages have death benefits default to your estate if you don't name a beneficiary.
- When the insured dies, beneficiaries are fixed and no changes can be made.
- The percentage interests of all beneficiaries, primary and contingent if applicable, must add up to 100%.

Why should I designate a beneficiary?

Life Insurance provides a benefit to a named beneficiary or beneficiaries upon the death of a person insured under a policy. Whether you want an individual, charity, and or trust to receive your policy's death benefit, this may not happen if you don't affirmatively elect a beneficiary designation.

If you're electing multiple beneficiaries, you'll need to indicate the specific percentages each beneficiary receives. Being clear with your beneficiary designations helps remove questions and simplify the claims process, which can ease the difficulty grieving the loss of love one.

Be sure to designate beneficiaries when completing the initial enrollment application for coverage. Beneficiaries should be kept up to date and reviewed when life changes occur such as marriage, births and divorce. If your beneficiary elections never get submitted, your intentions have not been made clear and the death benefit will be paid as outlined in the certificate of coverage. If your estate is named, then the assets become a part of the overall estate and held until distributed by your executor or personal representative.

Can I name someone with special needs as a beneficiary?

Before naming a loved one with special needs as a beneficiary, consider the impact it could have on any government benefits they may currently receive. It is important to consult with a legal and/or tax advisor when considering naming a beneficiary, especially ones with special needs.

ReliaStar Life Insurance Company (Minneapolis, MN) and ReliaStar Life Insurance Company of New York (Woodbury, NY), members of the Voya® family of companies.



What are the roles in a life insurance contract?

There are three important positions in every life insurance contract:



Policy Owner

The person, entity, partnership or representative who owns the policy, and who has the ability to exercise the rights granted in the policy.



Insured

The person whose death triggers the insurer's obligation to pay the death benefits.



Beneficiary

The person(s) selected to receive the death benefits when the insured dies.

Primary beneficiary

The policy owner's first choice to receive the death benefits. This person must be alive at the time the insured dies in order to receive his/her share of the death benefit.

Contingent beneficiary

If the primary beneficiary dies before the insured does or doesn't qualify as a beneficiary under the policy, the contingent beneficiary is paid his/her share of the death benefits.

Things to remember

- Remember to periodically review and maintain your beneficiary designation. Don't "set it and forget it". The beneficiaries you want to receive your policy's death benefits may be different from when you initially obtained coverage.
- Consider naming a contingent beneficiary or beneficiaries (individuals, charities, or trust) to receive your policy's death benefit if your primary beneficiary dies or is not eligible.
- When naming minor children as beneficiaries, it's important to know that life insurance benefits cannot be paid directly to a minor. Some states have adopted the Uniform Transfers to Minors Act ("UTMA"), which allows a minor to receive such funds once a Custodian is named or if the amount payable is less than a specified amount based on specific state law. If the amount payable is greater than allowed under the UTMA, there are procedures in place to enable the life insurance proceeds to be held with the insurance company until the child reaches adult age.
- Remember to submit a new beneficiary designation form after a life event. Whenever a major life event takes place, such as a marriage, divorce or the birth of a child, take the time to review your beneficiary designations.
- When designating a beneficiary, be sure to clearly identify the beneficiary. Make
 the designation clear by stating the beneficiary's full name and relationship
 to the insured/owner (e.g. "Jennifer J. Johnson, Insured's daughter"). You also
 will be asked to provide their date of birth, Social Security Number, telephone
 number and street address.

For more information, review your certificate of insurance and any riders for a complete description of beneficiary provisions, benefits, limitations, exclusions and termination of coverage.

This material is intended for general and educational purposes only; it is not intended to provide legal, tax or investment advice. Please consult an independent legal or financial advisor for specific advice about your individual situation.

This is a summary of benefits only. A complete description of benefits, limitations, exclusions and termination of coverage will be provided in the certificate of insurance and riders. All coverage is subject to the terms and conditions of the group policy. If there is any discrepancy between this document and the group policy documents, the policy documents will govern. To keep coverage in force, premiums are payable up to the date of coverage termination. Insurance is issued and underwritten by ReliaStar Life Insurance Company (Minneapolis, MN) and ReliaStar Life Insurance Company of New York (Woodbury, NY). Within the State of New York, only ReliaStar Life Insurance Company of New York is admitted, and its products issued. Both are members of the Voya® family of companies. Voya Employee Benefits is a division of both companies. Product availability and specific provisions may vary by state and employer's plan. ©2024 Voya Services Company. All rights reserved. CN3454328_0426 172672 040124

