

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2799

By: Nations

AS INTRODUCED

An Act relating to contracts; limiting the time period for changing a beneficiary under certain circumstances; providing exceptions; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 179 of Title 15, unless there is created a duplication in numbering, reads as follows:

A. If, after entering into a written contract in which a beneficiary is designated or provision is made for the payment of any death benefit, including life insurance contracts, annuities, retirement arrangements, compensation agreements, depository agreements, security registrations, and other contracts designating a beneficiary of any right, property, or money in the form of a death benefit, the party to the contract with the power to designate the beneficiary or to make provision for payment of any death benefit is diagnosed with a mentally debilitating disease or illness, or a disease or illness that is scientifically known to affect the judgment of a person, the party to the contract designating a beneficiary has thirty (30) days from the date of the diagnosis to change a beneficiary. After thirty (30) days from the date of diagnosis, there is a rebuttable presumption that the party to the contract is incompetent and may not change a beneficiary, and the burden of proof falls to the challenging party.

B. Subsection A of this section shall not apply:

1. If the party to the contract is cured of the disease or illness; or

2. If the disease or illness is treatable to the extent that the disease or illness no longer affects the judgment of the party to the contract.

SECTION 2. This act shall become effective November 1, 2006.

50-2-8447          SAB          01/18/06