



LAW TIPS

One of the pleasures of practicing law is helping people resolve legal questions they come face to face with in their lives. Some of these situations are pleasant – such as selling your house for a profit or buying your dream home – while others cause various levels of anxiety – such as when someone owes you money or when you have been charged with a crime. We hope these law tips will entertain as well as enlighten you. **PLEASE REMEMBER** these are only tips and no legal decision should be made without first obtaining advice specific to your particular situation.

WHAT, HE DIDN'T CHANGE THE BENEFICIARY?

Most people have life insurance. Once the policies are written and put away for safe keeping, however, few go back to rethink what they've done. It's like your will. No one wants to deal with it. Later, as the kids say.

Lawyers see the results of this when they start putting someone's estate together for probate and find old life insurance policies no one knew about. Sometimes someone gets a surprise. They didn't know they were named as beneficiary, and they appreciate the gift. Many times, however, the person who should be surprised is the one who's dead, because he or she did not think about who he had named in the life insurance policies as beneficiary. As a result, the person who should have benefited from the policy gets nothing. No one wants to focus on his or her impending demise (death and taxes, you know), but lack of attention to who is named in your life insurance policies can have serious consequences. This is particularly true if you're getting divorced.

Take, for example, the situation where Mr. & Mrs. Happily Married start to fight. They get lawyers and go at it. Eventually, a settlement is reached. They divide up their property and renounce any claims they might have to the other's estate. (Without this language, the survivor would inherit from the other should one of them die before the divorce becomes final.)

But most agreements do not contain language dealing with life insurance, and most attorneys never address this problem. Unfortunately, there are hundreds of cases across the country where wife number 2 shows up to collect her husband's life insurance and is told that the insurance company is going to pay wife number 1 instead. Why? Because the dead husband never changed the beneficiary. The language in the separation agreement renouncing any claim to a spouse's estate may not apply to insurance proceeds because they are usually considered outside the dead person's estate.

You should, therefore, take some time to check your life insurance policies. If you're getting divorced, however, you should change the beneficiaries immediately. But since you may forget to do this, or get hit by a car on the way to see your agent, you should put language into a separation agreement that you intend to change the beneficiaries on any life insurance policies you have, and a provision in which your spouse agrees to renounce any interest in those policies. Something as simple as this can help your estate avoid lawyers and litigation if you die sooner than you thought you would, and without changing the beneficiaries of your life insurance. If you change the beneficiaries, or put language in a separation agreement that you intend to do so, you won't hear, from the other side of the grave, someone wailing, "What, he didn't change the beneficiary?" If you hear this lament, the person surprised by your inattention will likely be the one person you wanted to help.

**FROM THE LAW OFFICE OF CASEY R. STEVENS, P.C.
4300 RIDGEWOOD CENTER DRIVE, SUITE -A
WOODBIDGE, VA 22192, 703-897-1777, CASEYRSTEVENSPC@STAFFNET.COM**
