TRICOR INC.
INSURANCE

# HERE ARE MOST COMMON EXAMPLES OF BENEFICIARY DESIGNATIONS

IF THE BENEFICIARY IS AN INDIVIDUAL

John Jones, Spouse of the Insured.
John Jones, Partner of the insured, "used if not married but living together as partners"
"used in a business relationship if they are partners",

IF THE BENEFICIARY IS MORE THAN ONE PERSON

"Name Each beneficiary", "Name the Relationship", "Provide the percentage or share percentage each will should receive"

Children of the insured living at the time of the insureds death, in equal shares *
Children of the insured, equally per stirpes **
John, Mary and Tom Jones, children of the insured, equally or to the survivor***
John, Mary and Tom Jones, children of the insured equally, per stirpes**

* Likely the easiest, but watch out, children of the insured doesn't automatically include children of your spouse by a previous marriage. A change like Children of insured or spouse might work if that child is to be treated the same as the others. This is a decision of the insured.

** Per stirpes means that if a child dies, but they have children, the share goes to those children, not simply split among the surviving children at time of insured's death. Per Stirpes does not include a surviving spouse. Best example: If the beneficiary is one of your children and they are deceased, their share would then go to their grandchildren if they had any.

*** Be certain that no additional children are possible or they would be left out if you use this wording. The fix is to use Children of the insured, equally or to the survivor or Children of the insured or children of the insured and spouse.

If the BENEFICIARY IS A TRUST

Begin with Full name of Trust / Then include Date the trust was signed or its origin date. This includes month day and year / Last part is Name of the Trust.

The John Jones Revocable Living Trust dated March 15, 2020. Mary Jones, trustee or her successors in trust

## Additional Information

The word primary means first, or before contingent beneficiaries. If there is no primary beneficiary due to death then the contingent beneficiary is the fall back or replacement and becomes the beneficiary.

During each review it is recommended to ask about beneficiary designations for any existing life insurance policies, TRICOR issued or issued by others. Life changes and policies are not automatically updated. Births, deaths, divorce and second or third marriage, name changes… all can impact who should be the primary and contingent beneficiary

Policy Assignments: Some life insurance policies are purchased by the insured to pay off debt. It is common for the bank to require an assignment of proceeds on death to them, "but only to the extent of the loan".

If there are adopted children change the wording to include children of the insured, both natural and adopted or children of the insured and spouse both natural and adopted.

If there has been children born out of marriage or from a different marriage. Set your wording to include beneficiary designations, primary and contingent as the insured wishes.

Ownership of a policy is often with the insured. Usually the insured is also the payer. If the payer is other than the insured, it is likely that the payer wants to be the owner so that they then have control of the policy and can make any beneficiary changes.

The beneficiary needs to have an insurable interest at the time the life insurance policy is purchased, "not at death", Those considered to have one are …. spouse, partner, children, parents, brothers and sisters, business partner, key employee, trust and charitable organization.