61A.12 BENEFICIARIES.

Subdivision 1. **Proceeds of life policy or annuity, who entitled to.** When any insurance is effected in favor of another, the beneficiary shall be entitled to its proceeds against the creditors and representatives of the person effecting the same. All premiums paid for insurance in fraud of creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy, if the company be specifically notified thereof, in writing, before payment.

Subd. 2. **Exemption in favor of family.** Every policy made payable to, or for the benefit of, the spouse of the insured, or after its issue assigned to or in trust for a spouse, shall inure to that person's separate use and that of the children of the insured or the insured's spouse, subject to the provisions of this section.

Subd. 3. [Repealed, 1973 c 725 s 91]

Subd. 4. **Change of beneficiary.** The person applying for and procuring a policy may change the beneficiary or beneficiaries, if the consent of the beneficiary or beneficiaries named in the policy is obtained, or if a power so to do is reserved in the contract of insurance or in case of the death of the beneficiary, or in the case of the dissolution of a marriage between the insured and the beneficiary subject to any limitations on the power to change beneficiaries imposed as a condition of the dissolution.

Subd. 5. **Substitution.** When a creditor requires credit life insurance, credit accident and health insurance, or both, as additional security for an indebtedness, the debtor shall be given the option of furnishing the required amount of insurance through existing policies of insurance owned or controlled by the debtor or procuring and furnishing the required coverage through any insurer authorized to transact insurance business in this state. If this subdivision is applicable, the debtor shall be informed by the creditor of the right to provide alternative coverage before the transaction is completed.

History: *1967 c 395 art 2 s 12; 1976 c 121 s 1,2; 1977 c 382 s 5; 1986 c 444; 1994 c 485 s 24*