

New rule relating to minor beneficiary designations - Quebec

A recent case decided by the Superior Court of Quebec has clarified the law on who can receive proceeds on behalf of a minor beneficiary named under a life insurance policy in Quebec.

This decision could impact some of your plan members in Quebec as we are changing the way we process death claims involving minor beneficiaries in Quebec as a result of this court case.

Only parent(s) or legal guardian can administer death benefits proceeds

Currently, when a member names a minor beneficiary, they are also able to name an individual (an “administrator” or “trustee”) other than the parent(s) (or other legal guardian when applicable) to manage the proceeds on behalf of the child until that child reaches age 18.

In some cases – commonly when parents are separated or divorced – the member may wish to name someone other than the other parent of the child as the administrator/trustee, as they do not want the other parent to manage the child’s proceeds.

The Quebec court has ruled that when a death benefit under a life insurance policy is payable to a minor beneficiary, it must be paid to the child’s parent(s) (or other legal guardian when applicable) and not to any other administrator/trustee named under the life insurance policy.

Further to this ruling, in Quebec where the beneficiary of a life insurance policy is a minor at the time of an insured’s death, we will pay the proceeds to the parent(s) (or other legal guardian if applicable), and not to anyone else who might be named as administrator/trustee of the proceeds. This change is effective immediately.

For members who wish to have another person to administer the child’s proceeds, they should ensure they have the proper provisions in their will.

Let your plan members know

We have attached a short [communication](#) that explains these changes to plan members. Please note that we have also posted the letter on the Plan Member Services website at mysunlife.ca.

Please pass on this information to any members who may be affected. In the meantime, all Sun Life Financial claims areas have been advised of the change and our Beneficiary Designation forms are being updated accordingly.

Questions?

Please contact your Sun Life Financial group benefits representative.