

Subject Transfer on Death Deeds; Clarifications and Updates

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Overview

Provides updates and clarifications to the transfer on death deed law and creates a requirement that insurers provide 30 days of coverage for properties with a transfer on death deed if they have been notified that the deed exists to allow the grantee to obtain insurance.

Summary

| Section | Description |
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| 1 | Transfer on death deed. |
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Amends various sections of the transfer on death deed law, including:

- clarifying there is no affect on the title when a transfer on death deed is executed before the death of the owner, except that there is an insurable interest in favor of the designee;
- provides for what happens if a joint tenant is the designee and dies before the owner/grantor;
- allows transfer on death deeds to be valid, or revoked, when the deed or revocation was recorded incorrectly or incompletely for registered properties;
- clarifies that a descendant of the grantee beneficiary only takes the place of a deceased grantee beneficiary when there is not a successor grantee named in the transfer on death deed and also provides when a court order following probate law must be used when a grantee beneficiary cannot take the property;
- clarifies what happens where there are two competing transfer on death deeds that describe some of the same property; and
- clarifies jurisdiction for cases related to transfer on death deeds is with the probate court, including medical assistance liens or the death of a grantee.

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| 2 | Property insurance for grantee beneficiaries of transfer on death deeds. |
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Provides that an insurance company must allow for extended coverage for the transfer after the death of the grantor and must cover the grantee until the grantee obtains insurance or 30 days, whichever comes earlier, when the insurance company is notified there is a transfer on death deed executed for the property. The grantee does not have any right to the insurance unless the grantor has died, and a new warning must be included in transfer on death deeds after August 1, 2024, informing the grantee of issues related to the insurance of the property, including that if no notice was provided to the insurance company about the existence of the transfer on death deed, the property may not be insured.



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