



TO: Legislative Operating Committee (LOC)
FROM: Clorissa N. Leeman, Legislative Reference Office, Senior Staff Attorney
DATE: August 8, 2023
RE: Oneida Life Insurance Plan Law: Public Comment Review

On July 13, 2023, a public meeting was held regarding the proposed Oneida Life Insurance Plan law (“the Law”). The public comment period was then held open until July 20, 2023. The Legislative Operating Committee reviewed and considered the public comments on August 3, 2023.

Comment 1 – No Designated Beneficiary:

1004.4. Establishment

1004.4-1. *Establishment.* The Oneida Life Insurance Plan is hereby established as an approved program of the Nation in accordance with the Oneida General Welfare law. The purpose of the Oneida Life Insurance Plan is to provide fifteen thousand dollars (\$15,000) of financial assistance to eligible members of the Nation to pay for funeral expenses, with any residual benefit amounts paid thereafter to the designated beneficiary.

1004.5. Qualifications, Designation of Beneficiary, and Notice

1004.5-1. *Eligibility.* All members of the Nation shall qualify for benefits from the Oneida Life Insurance Plan to be used for funeral expenses first, with any residual benefits distributed to a designated beneficiary.

(a) Newly enrolled members of the Nation shall be covered the date their enrollment application is approved by Oneida Trust Enrollment Committee and Oneida Business Committee.

(b) Members of the Nation that have relinquished their membership shall not be covered from the date their relinquishment request is approved by the Oneida Trust Enrollment Committee and Oneida Business Committee.

1004.5-2. *Designation of Beneficiary.* A member of the Nation shall complete the Oneida Trust Enrollment Committee approved beneficiary designation form and submit it to the Oneida Trust Enrollment Committee, either online or in person at the Oneida Trust Enrollment Office, prior to their death in order to secure benefits from the Oneida Life Insurance Plan for their beneficiary.

(a) Any Oneida Life Insurance Plan beneficiary designation forms submitted prior to the effective date of this law shall remain valid.

(b) Oneida Life Insurance Plan residual benefits shall not be paid or claimed if the decedent did not designate a living beneficiary though the beneficiary designation form.

(c) A parent or legal guardian shall complete and submit a beneficiary designation form on behalf of their minor child or ward.

(d) Funeral expenses shall be paid directly to the funeral home upon submission of

a valid invoice, up to the limit of the Oneida Life Insurance Plan benefits, even if a designated beneficiary has not been designated.

1004.6. Beneficiary Claim Process and Distribution

1004.6-3. Distribution. Oneida Life Insurance Plan benefits shall be distributed in the following order:

- (a) Funeral expenses shall be paid to the funeral home pursuant to receipt of a valid invoice therefrom;**
 - (1) Any expenses beyond the funeral expenses shall be the responsibility of the beneficiary, family of the decedent, or any other responsible parties.**
- (b) Residual benefits shall be paid to the designated beneficiary.**

Marena Bridges (written): I am writing to express my thoughts and concerns regarding the current Oneida Life Insurance Plan law, specifically in relation to the allocation of unassigned benefit funds following the policyholder's demise.

At present, in the event of a policyholder's passing, if no beneficiary has been explicitly named, the residual funds after memorial expenses are not allocated to the legal next of kin. Instead, these resources revert back to the Oneida Nation. This, in my view, poses a significant problem that needs to be addressed.

It is understandable that the responsibility of designating a beneficiary lies with the insured. However, it must be recognized that there could be numerous circumstances that prevent someone from fulfilling this task - a sudden and unexpected death, a lack of understanding about the importance of the beneficiary designation process, or perhaps a misunderstanding that next of kin would automatically be considered beneficiaries. Consequently, it seems unjust that the grieving next of kin, already dealing with the emotional trauma of their loss, should bear additional financial burden due to this policy. From both a humanitarian and community-centric perspective, it would seem more equitable for the legal next of kin to receive any leftover benefit monies in the absence of a named beneficiary. This would not only provide some much-needed financial relief during a difficult time but would also align with the community's values of support and solidarity.

In this context, I propose that the Oneida Life Insurance Plan law be revised to incorporate a clause to address this issue. Specifically, in cases where no beneficiary has been named, the residual benefit funds after covering memorial expenses should be awarded to the legal next of kin. This will ensure that the insured's resources remain within the family and community, providing aid where it is most needed.

I urge the Committee to consider this proposal for the benefit of our community members who may unexpectedly find themselves in such a situation. Providing clearer communication about the necessity of naming a beneficiary, and setting the legal next of kin as the default beneficiary in the absence of a named one, would undoubtedly alleviate some of the financial concerns experienced by grieving families.

I appreciate your time and consideration, and I trust in your commitment to the welfare of the Oneida community.

Thank you.

Response

The commenter proposes that the Oneida Life Insurance Plan law be amended to allow for any residual benefits to be provided to the decedent's next of kin if a beneficiary is not designated.

The Oneida Life Insurance Plan law is very clear that the intent of the Oneida Life Insurance Plan is to provide fifteen thousand dollars (\$15,000) of financial assistance to eligible members of the Nation to pay for funeral expenses, with any residual benefit amounts paid thereafter to the designated beneficiary. [10 O.C. 1004.4-1, 1004.6-3]. A member of the Nation is required to complete the Oneida Trust Enrollment Committee approved beneficiary designation form and submit it to the Oneida Trust Enrollment Committee, either online or in person at the Oneida Trust Enrollment Office, prior to their death in order to secure benefits from the Oneida Life Insurance Plan for their beneficiary. [10 O.C. 1004.5-2]. Any Oneida Life Insurance Plan beneficiary designation form that has already been submitted to the Oneida Trust Enrollment Department prior to the effective date of this law remains valid. [10 O.C. 1004.5-2(a)]. Oneida Life Insurance Plan residual benefits are not paid or claimed if the decedent did not designate a living beneficiary though the beneficiary designation form. [10 O.C. 1004.5-2(b)]. A parent or legal guardian is required to complete and submit a beneficiary designation form on behalf of their minor child or ward. [10 O.C. 1004.5-2(c)]. Funeral expenses are paid directly to the funeral home upon submission of a valid invoice, up to the limit of the Oneida Life Insurance Plan benefits, even if a designated beneficiary has not been designated. [10 O.C. 1004.5-2(d)].

Previously, the Nation contracted with the company Epic to manage the Oneida Life Insurance Plan. Epic collected relevant information regarding the decedent and beneficiaries and distributed funds from the Oneida Life Insurance Plan. The contract between the Nation and Epic was terminated on September 30, 2022. The Oneida Trust and Enrollment Committee determined the Oneida Trust and Enrollment Department could manage the Oneida Life Insurance Plan in-house, yielding a cost savings to the Nation and expediting payments to the beneficiaries. It was determined that the Nation did not currently have the resources to track down and determine a decedent's next of kin if no beneficiary was designated, and therefore it should be the responsibility of the individual to ensure that they submit a beneficiary designation form.

The Legislative Operating Committee may consider whether the Oneida Life Insurance Plan law be amended to allow for any residual benefits to provided be to the decedent's next of kin if a beneficiary is not designated.

LOC Consideration

The Legislative Operating Committee held great discussion regarding the issue of whether the proposed Oneida Life Insurance Plan law should be amended to allow for any residual benefits to be provided to the decedent's next of kin if a beneficiary is not designated. The Legislative Operating Committee understands the perspective the commenter expressed, and held great discussions on how to balance the Nation's resources in best managing the Oneida Life Insurance Plan law and the need for the responsibility to lie with the tribal member to ensure that the

designated beneficiary form is submitted if an individual desires that any residual benefits be provided to their selected individual, while also addressing concerns that some individuals may not be aware of the need to submit a beneficiary designation form.

On August 8, 2023, the Legislative Operating Committee held a work meeting with the Trust Enrollment Department and the Oneida Law Office to discuss this matter in greater detail. The Trust Enrollment Department informed the Legislative Operating Committee that the Trust Enrollment Department has made efforts to inform the community of the requirement to fill out a beneficiary designation form for the Oneida Life Insurance Plan through mailers sent to the homes of all members of the Nation, information provided at General Tribal Council meetings, information published in the Kalihwisaks, and information provided through Facebook Live segments. At this point in time about sixty-five percent (65%) of adult members of the Nation have submitted a beneficiary designation form. The Legislative Operating Committee discussed the desire and need for the Trust Enrollment Committee to continue its efforts to inform the community of the requirement to submit beneficiary designation form in accordance with the Oneida Life Insurance Plan law. Efforts to specifically target individuals who have not submitted a beneficiary designation form were also greatly discussed.

Ultimately, the Legislative Operating Committee determined that the Oneida Life Insurance Plan law should remain as currently drafted so that a member of the Nation is required to complete the Oneida Trust Enrollment Committee approved beneficiary designation form and submit it to the Oneida Trust Enrollment Committee, either online or in person at the Oneida Trust Enrollment Office, prior to their death in order to secure benefits from the Oneida Life Insurance Plan for their beneficiary.