

Life & Medical Insurance

Podcast # 8 of 9

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The two most common types of insurance which are effected by the divorce are health insurance and life insurance.

With regard to life insurance, the divorce agreement or Judgment may require one spouse to designate the other as a beneficiary on certain insurance policies. Generally, if there is a payment of alimony or child support, there should be a life insurance policy to underwrite that payment in the event of the payor's premature death.

On the other hand, there may be existing insurance policies on which either party is free to change beneficiaries subsequent to the divorce. In order to either receive benefits or change your beneficiary designation, you must file a change beneficiary form with the insurance company.

The insurance company is not bound by your Divorce Judgment unless it has received a properly executed change of beneficiary form. With regard to medical insurance, federal law requires an insurance carrier to continue to insure a dependent spouse for a period of thirty six (36) months following the divorce.

However, in those cases in which the medical insurance is continued subsequent to the divorce, there is almost always a premium charged by the insurance carrier or the person's employer for the privilege of continuing the insurance and who pays that premium must be negotiated.

The dependent spouse must also consider the reality that any existing insurance may terminate at the end of 36 months following the divorce. If there is a pre-existing health problem or condition which would prevent insurability after 36 months, plans and preparation must be made to obtain replacement insurance through employment or other group type insurance which will not require a physical examination or medical clearance.

If medical insurance is to be continued after the divorce, a specific application known as a "COBRA election" must be filed with the medical insurance company within thirty (30) days of the date of the divorce. In most instances, that 30 day period is absolute and cannot be extended. Be certain, therefore, to file the "COBRA election" within 30 days of the divorce even if you are undecided as to whether you will need the coverage.

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