

# **SERVICEMEMBERS' GROUP LIFE INSURANCE**



## **JOINT BASE ANDREWS LAW CENTER**

**Current as of February 2014**

### **WHAT IS SGLI AND HOW IS IT PAID?**

Servicemembers' Group Life Insurance (SGLI) is group life insurance that permits a military member to leave up to \$400,000 to beneficiaries. Each military member should complete form SGLV 8286, Servicemembers' Group Life Insurance Election and Certificate, to designate one or more beneficiaries to receive payment of the insurance proceeds. Make sure to specify in fractions, percentages, or monetary amounts the share to be paid to each beneficiary, otherwise they will share equally in the proceeds.

If the military member does not designate a beneficiary, "By Law" will be entered in the appropriate space on the form and the proceeds will be paid in the following order:

- The surviving spouse of the military member; if none, then
- The child or children of the military member, in equal shares, with the share of any deceased children to be distributed among the descendants of that child; if none, then
- The parents in equal shares or all to the surviving parent; if none, then
- A duly appointed executor or administrator of the insured's estate; if none, then
- Other next of kin.

### **NAME YOUR SGLI BENEFICIARIES!**

Even if you are confident as to whom your "By Law" designation will go to, these proceeds can still be delayed in being paid. This is because the courts will have to confirm who the "By Law" recipient is before the insurance company can disburse the funds. For example, if you are married and have "By Law" as your beneficiary, you may presume that your SGLI benefits will flow to your spouse. Even if this is correct, your spouse will still have to wait for a court's approval before she will be able to receive the

benefits from your policy. If you specifically designate your spouse as the SGLI beneficiary, your spouse will be able to obtain those funds directly from the insurance company without any court intervention.

### **WHICH TAKES PRECEDENCE: MY WILL OR MY SGLI BENEFICIARY?**

Your SGLI is paid out separately from your will and in accordance with your instructions on form SGLV 8286. A common misconception is that the SGLI beneficiary designation does not matter because the will of a military member will control the disbursement of his or her SGLI benefits. This is not true. SGLI is not controlled by the terms of a will or by a state's laws for distributing property in the event of death without a will. The insurance provider pays the beneficiaries as named by the military member.

### **CHANGING YOUR BENEFICIARIES**

You can change or cancel any previous beneficiary at any time. Keep in mind that, state divorce decrees, separation agreements or other state or municipal court documents cannot effectively change your beneficiary designation.

If you have any questions pertaining to your SGLI benefits, please set up an appointment with one of our legal assistance attorneys by calling (240) 612-5750.

### **HELPFUL LINKS**

General Information:

<http://benefits.va.gov/insurance/sgli.asp>

SGLI Payout Warning:

<https://aflegalassistance.law.af.mil/lass/assets/docs/SGLI%20warning.pdf>