

2024 Legislative Update

Transfer on Death Deed – Grantee Beneficiary

Minnesota Statute 507.072

What is a Transfer on Death Deed?

Transfer-On Death Deeds (TOD) in Minnesota are growing in popularity. These deeds allow for the transfer of real estate after death to an identified beneficiary. In doing so beneficiaries have an ability to bypass probate court. This legal document is signed, notarized, and filed with the county. The owner maintains control and financial responsibility of the property while living.

How does the new law impact property policies in Minnesota?

The new law, which applies to policies issued on or after August 1st, mandates that property insurance policies in Minnesota be written in such a way that identified beneficiaries who will have an interest in property after the owner's death can be identified and afforded a limited amount of automatic coverage under the property policy. Effective immediately, insureds that take the necessary steps to communicate the existence of a transfer on death deed, along with the names and contact information of the "Grantee Beneficiaries" to their property insurer may immediately reserve this benefit for their heirs. Companies previously were not required to provide post death coverage and as such, property transferred became immediately uninsured upon the death of the owner.

What must be done to add the interest of a beneficiary under the policy?

The ***owner of the property*** must notify the insurer of the existence of a transfer on death deed, along with the names and contact information of all designated grantee beneficiaries.

TODs to Include a Warning to "Grantor Owner"

The notice advises the owner of the property that temporary coverage provided by a fire and casualty insurance policy, as defined in statute 65A, will exist only if the grantor-owner has given notice to the insurer of the names and contact information of all designated grantee beneficiaries. **The notice will state that coverage terminates on the earlier of (1) 30 days after the date of the grantor owner's death (2) the expiration date of the policy, or (3) upon placement of a replacement insurance policy.**

TODs to Include a Warning to "Grantor Beneficiary" The warning to a Grantee Beneficiary must state that there shall be no presumption of coverage after the death of an owner that coverage will continue. Coverage will only apply if permitted by statute 507.072 and beneficiaries are advised to seek the assistance of an attorney or insurance agent.