

ESTATES AND PROTECTED INDIVIDUALS CODE (EXCERPT)
Act 386 of 1998

700.2711 Protection of payors.

Sec. 2711.

(1) Except as otherwise provided in this section, a payor or other third party is not liable for making a payment under the terms of a beneficiary designation. Payment made before the actual receipt of a written notice of a claim to a substitute gift discharges the payor or other third party, but not the recipient, from a claim for the amount paid. A payor or other third party is liable for a payment made 3 or more business days after the payor or other third party actually receives written notice of the claim. A payor or other third party is not obligated to inquire as to whether a substitute gift exists under sections 2709 and 2710 or to seek evidence regarding such a gift. A recipient who incorrectly receives a payment is liable for the payment received, whether or not written notice of the claim is given.

(2) A written notice of a substitute claim must be mailed to the payor's or other third party's main office or home by registered or certified mail, return receipt requested, or served upon the payor or other third party in the same manner as a summons in a civil action. Notice to a sales representative of a payor or other third party does not constitute notice to the payor or other third party.

(3) The written notice under subsection (1) must include the decedent's name, the name of the person asserting an interest, the nature of the payment, item of property, or other benefit, and a statement that a claim to a substitute gift is being made under sections 2709 and 2710. Notice in a form or service in a manner other than that described in this section does not impose liability on a payor or other third party for an action taken in accordance with a governing instrument.

(4) Upon receipt of a written notice of the claim, a payor or other third party may pay any amount the payor or other third party owes to the county treasurer of the county of the court having jurisdiction of the probate proceedings relating to the decedent's estate or, if no proceedings have been commenced, to the county treasurer of the county of the decedent's residence. With a payment under this section, the payor or other third party shall file a copy of the written notice received by the payor or other third party. A payment made to the county treasurer discharges the payor or other third party from all claims for the amount paid.

(5) The county treasurer shall not charge a filing fee for a payment to the county treasurer under this section. The county treasurer shall hold the money in accordance with section 3917 and, upon the court's determination under sections 2709 and 2710, shall disburse the money in accordance with the determination.

(6) The provision for payment to the county treasurer under this section does not preclude a payor or other third party from taking another action authorized by law or the governing instrument.

History: 1998, Act 386, Eff. Apr. 1, 2000

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