

HOUSE BILL NO. 392

**IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION**

BY REPRESENTATIVE ULMER

**Introduced: 1/13/92
Referred: Labor & Commerce, Judiciary**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to nonprobate transfers and multiple-person accounts; and providing for
2 an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 • Section 1. AS 13 is amended by adding a new chapter to read:

5 **CHAPTER 33. NONPROBATE TRANSFERS.**

6 **ARTICLE 1. PROVISIONS RELATING TO EFFECT OF DEATH.**

7 **Sec. 13.33.101 NONPROBATE TRANSFERS ON DEATH.** (a) A provision for a
8 nonprobate transfer on death in an insurance policy, contract of employment, bond, mortgage,
9 promissory note, certificated or uncertificated security, account agreement, custodial agreement,
10 deposit agreement, compensation plan, pension plan, individual retirement plan, employee benefit
11 plan, trust, conveyance, deed of gift, marital property agreement, or other written instrument of
12 a similar nature is nontestamentary. This subsection includes a written provision that

13 (1) money or other benefits due to, controlled by, or owned by a decedent before
14 death must be paid after the decedent's death to a person whom the decedent designates either

1 in the instrument or in a separate writing, including a will, executed either before or at the same
2 time as the instrument, or later;

3 (2) money due or to become due under the instrument ceases to be payable in the
4 event of death of the promisee or the promisor before payment or demand; or

5 (3) property controlled by or owned by the decedent before death that is the
6 subject of the instrument passes to a person the decedent designates either in the instrument or
7 in a separate writing, including a will, executed either before or at the same time as the
8 instrument, or later.

9 (b) This section does not limit rights of creditors under other laws of this state.

10 **ARTICLE 2. MULTIPLE-PERSON ACCOUNTS.**

11 **Sec. 13.33.201. DEFINITIONS.** In AS 13.33.201 - 13.33.227,

12 (1) "account" means a contract of deposit between a depositor and a financial
13 institution and includes a checking account, savings account, certificate of deposit, and share
14 account;

15 (2) "agent" means a person authorized to make account transactions for a party;

16 (3) "beneficiary" means a person named as one to whom sums on deposit in an
17 account are payable on request after death of all parties or for whom a party is named as trustee;

18 (4) "financial institution" means an organization authorized to do business under
19 state or federal laws relating to financial institutions, and includes a bank, trust company, savings
20 bank, building and loan association, savings and loan company or association, and credit union;

21 (5) "multiple-party account" means an account payable on request to one or more
22 of two or more parties whether or not a right of survivorship is mentioned;

23 (6) "party" means a person who, by the terms of an account, has a present right,
24 subject to request, to payment from the account other than as a beneficiary or agent;

25 (7) "payment" of sums on deposit includes withdrawal, payment to a party or third
26 person pursuant to check or other request, and a pledge of sums on deposit by a party, or a
27 setoff, reduction, or other disposition of all or part of an account pursuant to a pledge;

28 (8) "POD designation" means the designation of

29 (A) a beneficiary in an account payable on request to one party during the
30 party's lifetime and on the party's death to one or more beneficiaries, or to one or more
31 parties during their lifetime and on death of all of them to one or more beneficiaries; or

1 (B) a beneficiary in an account in the name of one or more parties as
2 trustee for one or more beneficiaries if the relationship is established by the terms of the
3 account and there is no subject of the trust other than the sums on deposit in the account,
4 whether or not payment to the beneficiary is mentioned;

5 (9) "receive" as it relates to notice to a financial institution, means receipt in the
6 office or branch office of the financial institution in which the account is established, but if the
7 terms of the account require notice at a particular place, in the place required;

8 (10) "request" means a request for payment complying with all terms of the
9 account, including special requirements concerning necessary signatures and regulations of the
10 financial institution; but, for purposes of AS 13.33.201 - 13.33.227, if terms of the account
11 condition payment on advance notice, a request for payment is treated as immediately effective
12 and a notice of intent to withdraw is treated as a request for payment;

13 (11) "sums on deposit" means the balance payable on an account, including
14 interest and dividends earned, whether or not included in the current balance, and deposit life
15 insurance proceeds added to the account by reason of death of a party;

16 (12) "terms of the account" includes the deposit agreement and other terms and
17 conditions, including the form, of the contract of deposit.

18 Sec. 13.33.202. LIMITATION ON SCOPE. AS 13.33.201 - 13.33.227 do not apply to

19 (1) an account established for a partnership, joint venture, or other organization
20 for a business purpose;

21 (2) an account controlled by one or more persons as an agent or trustee for a
22 corporation, unincorporated association, or charitable or civic organization; or

23 (3) a fiduciary or trust account in which the relationship is established other than
24 by the terms of the account.

25 Sec. 13.33.203. TYPES OF ACCOUNT; EXISTING ACCOUNTS. (a) An account may
26 be for a single party or multiple parties. A multiple-party account may be with or without a right
27 of survivorship between the parties. Subject to AS 13.33.212(c), either a single-party account
28 or a multiple-party account may have a POD designation, an agency designation, or both.

29 (b) An account established before, on, or after January 1, 1994, whether in the form
30 prescribed in AS 13.33.204 or in another form, is either a single-party account or a multiple-party
31 account, with or without right of survivorship, and with or without a POD designation or an

1 agency designation, within the meaning of AS 13.33.201 - 13.33.227 and is governed by
2 AS 13.33.201 - 13.33.227.

3 Sec. 13.33.204. FORMS. (a) A contract of deposit that contains provisions in
4 substantially the following form establishes the type of account provided, and the account is
5 governed by the provisions of AS 13.33.201 - 13.33.227 applicable to an account of that type:

6 UNIFORM SINGLE- OR MULTIPLE-PARTY ACCOUNT FORM PARTIES (Name one
7 or more parties):

8 _____
9 OWNERSHIP (Select one and initial):

10 _____ SINGLE-PARTY ACCOUNT

11 _____ MULTIPLE-PARTY ACCOUNT

12 Parties' own the account in proportion to net contributions unless there is
13 clear and convincing evidence of a different intent.

14 RIGHTS AT DEATH (Select one and initial):

15 _____ SINGLE-PARTY ACCOUNT

16 At death of party, ownership passes as part of party's estate.

17 _____ SINGLE-PARTY ACCOUNT WITH POD (PAY ON DEATH) DESIGNATION
18 (Name one or more beneficiaries):

19 _____
20 At death of party, ownership passes to POD beneficiaries and is not part
21 of party's estate.

22 _____ MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP

23 At death of party, ownership passes to surviving parties.

24 _____ MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP AND POD
25 (PAY ON DEATH) DESIGNATION

26 (Name one or more beneficiaries):

27 _____
28 At death of last surviving party, ownership passes to POD beneficiaries
29 and is not part of last surviving party's estate.

30 _____ MULTIPLE-PARTY ACCOUNT WITHOUT RIGHT OF SURVIVORSHIP

31 At death of party, deceased party's ownership passes as part of deceased

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party's estate.

AGENCY (POWER OF ATTORNEY) DESIGNATION (Optional)

Agents may make account transactions for parties but have no ownership or rights at death unless named as POD beneficiaries. (To add agency designation to account, name one or more agents):

(Select one and initial):

_____ AGENCY DESIGNATION SURVIVES DISABILITY OR INCAPACITY OF PARTIES

_____ AGENCY DESIGNATION TERMINATES ON DISABILITY OR INCAPACITY OF PARTIES

(b) A contract of deposit that does not contain provisions in substantially the form provided in (a) of this section is governed by the provisions of AS 13.33.201 - 13.33.227 applicable to the type of account that most nearly conforms to the depositor's intent.

Sec. 13.33.205. DESIGNATION OF AGENT. (a) By writing signed by all parties, the parties may designate as agent of all parties on an account a person other than a party.

(b) Unless the terms of an agency designation provide that the authority of the agent terminates on disability or incapacity of a party, the agent's authority survives disability and incapacity. The agent may act for a disabled or incapacitated party until the authority of the agent is terminated.

(c) Death of the sole party or last surviving party terminates the authority of an agent.

Sec. 13.33.206. APPLICABILITY. The provisions of AS 13.33.211 - 13.33.216 concerning beneficial ownership as between parties or as between parties and beneficiaries apply only to controversies between those persons and their creditors and other successors and do not apply to the right of those persons to payment as determined by the terms of the account. AS 13.33.221 - 13.33.227 govern the liability and setoff rights of financial institutions that make payments pursuant to it.

Sec. 13.33.211. OWNERSHIP DURING LIFETIME. (a) In this section, "net contribution" of a party means the sum of all deposits to an account made by or for the party, less all payments from the account made to or for the party that have not been paid to or applied to the use of another party and a proportionate share of any charges deducted from the account,

1 plus a proportionate share of any interest or dividends earned, whether or not included in the
2 current balance. The term includes deposit life insurance proceeds added to the account by
3 reason of death of the party whose net contribution is in question.

4 (b) During the lifetime of all parties, an account belongs to the parties in proportion to
5 the net contribution of each to the sums on deposit, unless there is clear and convincing evidence
6 of a different intent. As between parties married to each other, in the absence of proof otherwise,
7 the net contribution of each is presumed to be an equal amount.

8 (c) A beneficiary in an account having a POD designation has no right to sums on
9 deposit during the lifetime of any party.

10 (d) An agent in an account with an agency designation does not have a beneficial right
11 to sums on deposit.

12 Sec. 13.33.212. RIGHTS AT DEATH. (a) Except as otherwise provided in
13 AS 13.33.201 - 13.33.227, on death of a party, sums on deposit in a multiple-party account
14 belong to the surviving party or parties. If two or more parties survive and one is the surviving
15 spouse of the decedent, the amount to which the decedent immediately before death was
16 beneficially entitled under AS 13.33.211 belongs to the surviving spouse. If two or more parties
17 survive and none is the surviving spouse of the decedent, the amount to which the decedent
18 immediately before death was beneficially entitled under AS 13.33.211 belongs to the surviving
19 parties in equal shares and augments the proportion to which each survivor immediately before
20 the decedent's death was beneficially entitled under AS 13.33.211, and the right of survivorship
21 continues between the surviving parties.

22 (b) In an account with a POD designation

23 (1) on death of one of two or more parties, the rights in sums on deposit are
24 governed by (a) of this section;

25 (2) on death of the sole party or the last survivor of two or more parties, sums
26 on deposit belong to the surviving beneficiary or beneficiaries; if two or more beneficiaries
27 survive, sums on deposit belong to them in equal and undivided shares, and there is no right
28 of survivorship in the event of death of a beneficiary thereafter; if no beneficiary survives, sums
29 on deposit belong to the estate of the last surviving party.

30 (c) Sums on deposit in a single-party account without a POD designation, or in a
31 multiple-party account that, by the terms of the account, is without right of survivorship, are not

1 affected by death of a party, but the amount to which the decedent immediately before death was
2 beneficially entitled under AS 13.33.211 is transferred as part of the decedent's estate. A POD
3 designation in a multiple-party account without right of survivorship is ineffective. For purposes
4 of this section, designation of an account as a tenancy in common establishes that the account
5 is without right of survivorship.

6 (d) The ownership right of a surviving party or beneficiary, or of the decedent's estate,
7 in sums on deposit is subject to requests for payment made by a party before the party's death,
8 whether paid by the financial institution before or after death or unpaid. The surviving party or
9 beneficiary, or the decedent's estate, is liable to the payee of an unpaid request for payment. The
10 liability is limited to the proportionate share of the amount transferred under this section to the
11 extent necessary to discharge the request for payment.

12 Sec. 13.33.213. ALTERATION OF RIGHTS. (a) Rights at death under AS 13.33.212
13 are determined by the type of account at the death of a party. The type of account may be
14 altered by written notice given by a party to the financial institution to change the type of
15 account or to stop or vary payment under the terms of the account. The notice shall be signed
16 by a party and received by the financial institution during the party's lifetime.

17 (b) A right of survivorship arising from the express terms of the account, AS 13.33.212,
18 or a POD designation may not be altered by will.

19 Sec. 13.33.214. ACCOUNTS AND TRANSFERS NONTESTAMENTARY. Except as
20 provided in AS 13.11.070 - 13.11.100 or as a consequence of and to the extent directed by
21 AS 13.33.215, a transfer resulting from the application of AS 13.33.212 is effective by reason
22 of the terms of the account involved in this AS 13.33.201 - 13.33.227 and is not testamentary
23 or subject to AS 13.06 - AS 13.21.

24 Sec. 13.33.215. RIGHTS OF CREDITORS AND OTHERS. (a) If other assets of the
25 estate are insufficient, a transfer resulting from a right of survivorship or POD designation under
26 AS 13.33.201 - 13.33.227 is not effective against the estate of a deceased party to the extent
27 needed to pay claims against the estate and statutory allowances to the surviving spouse and
28 children.

29 (b) A surviving party or beneficiary who receives payment from an account after death
30 of a party is liable to account to the personal representative of the decedent for a proportionate
31 share of the amount received to which the decedent immediately before death was beneficially

1 entitled under AS 13.33.211 to the extent necessary to discharge the claims and allowances
2 described in subsection (a) remaining unpaid after application of the decedent's estate. A
3 proceeding to assert the liability may not be commenced unless the personal representative has
4 received a written demand by the surviving spouse, a creditor, a child, or a person acting for a
5 child of the decedent. The proceeding must be commenced within one year after death of the
6 decedent.

7 (c) A surviving party or beneficiary against whom a proceeding to account is brought
8 may join as a party to the proceeding a surviving party or beneficiary of any other account of
9 the decedent.

10 (d) Sums recovered by the personal representative shall be administered as part of the
11 decedent's estate. This section does not affect the protection from claims of the personal
12 representative or estate of a deceased party provided in AS 13.33.226 for a financial institution
13 that makes payment in accordance with the terms of the account.

14 Sec. 13.33.216. COMMUNITY PROPERTY AND TENANCY BY THE ENTIRETIES.

15 (a) A deposit of community property in an account does not alter the community character of
16 the property or community rights in the property, but a right of survivorship between parties
17 married to each other arising from the express terms of the account or AS 13.33.212 may not be
18 altered by will.

19 (b) AS 13.33.201 - 13.33.227 does not affect the law governing tenancy by the entireties.

20 Sec. 13.33.221. AUTHORITY OF FINANCIAL INSTITUTION. A financial institution
21 may enter into a contract of deposit for a multiple-party account to the same extent it may enter
22 into a contract of deposit for a single-party account and may provide for a POD designation and
23 an agency designation in either a single-party account or a multiple-party account. A financial
24 institution need not inquire as to the source of a deposit to an account or as to the proposed
25 application of a payment from an account.

26 Sec. 13.33.222. PAYMENT ON MULTIPLE-PARTY ACCOUNT. A financial
27 institution, on request, may pay sums on deposit in a multiple-party account to

28 (1) one or more of the parties whether or not another party is disabled,
29 incapacitated, or deceased when payment is requested and whether or not the party making the
30 request survives another party; or

31 (2) the personal representative, if any, or, if there is none, the heirs or devisees

1 of a deceased party if proof of death is presented to the financial institution showing that the
2 deceased party was the survivor of all other persons named on the account either as a party or
3 beneficiary, unless the account is without right of survivorship under AS 13.33.212.

4 Sec. 13.33.223. PAYMENT ON POD DESIGNATION. A financial institution, on
5 request, may pay sums on deposit in an account with a POD designation to

6 (1) one or more of the parties whether or not another party is disabled,
7 incapacitated, or deceased when the payment is requested and whether or not a party survives
8 another party;

9 (2) the beneficiary or beneficiaries if proof of death is presented to the financial
10 institution showing that the beneficiary or beneficiaries survived all persons named as parties; or

11 (3) the personal representative, if any, or, if there is none, the heirs or devisees
12 of a deceased party if proof of death is presented to the financial institution showing that the
13 deceased party was the survivor of all other persons named on the account either as a party or
14 beneficiary.

15 Sec. 13.33.224. PAYMENT TO DESIGNATED AGENT. A financial institution, on
16 request of an agent under an agency designation for an account, may pay to the agent sums on
17 deposit in the account whether or not a party is disabled, incapacitated, or deceased when the
18 request is made or received and whether or not the authority of the agent terminates on the
19 disability or incapacity of a party.

20 Sec. 13.33.225. PAYMENT TO MINOR. If a financial institution is required or
21 permitted to make payment under AS 13.33.201 - 13.33.227 to a minor designated as a
22 beneficiary, payment may be made under AS 13.46.

23 Sec. 13.33.226. DISCHARGE. (a) Payment made under AS 13.33.201 - 13.33.227 in
24 accordance with the type of account discharges the financial institution from all claims for
25 amounts so paid, whether or not the payment is consistent with the beneficial ownership of the
26 account as between parties, beneficiaries, or their successors. Payment may be made whether or
27 not a party, beneficiary, or agent is disabled, incapacitated, or deceased when payment is
28 requested, received, or made.

29 (b) Protection under this section does not extend to payments made after a financial
30 institution has received written notice from a party, or from the personal representative, surviving
31 spouse, or heir or devisee of a deceased party, to the effect that payments in accordance with the

1 terms of the account, including one having an agency designation, should not be permitted, and
2 the financial institution has had a reasonable opportunity to act on it when the payment is made.
3 Unless the notice is withdrawn by the person giving it, the successor of any deceased party must
4 concur in a request for payment if the financial institution is to be protected under this section.
5 Unless a financial institution has been served with process in an action or proceeding, no other
6 notice or other information shown to have been available to the financial institution affects its
7 right to protection under this section.

8 (c) A financial institution that receives written notice under this section or otherwise has
9 reason to believe that a dispute exists as to the rights of the parties may refuse, without liability,
10 to make payments in accordance with the terms of the account.

11 (d) Protection of a financial institution under this section does not affect the rights of
12 parties in disputes between themselves or their successors concerning the beneficial ownership
13 of sums on deposit in accounts or payments made from accounts.

14 Sec. 13.33.227. SETOFF. Without qualifying any other statutory right to setoff or lien
15 and subject to any contractual provision, if a party is indebted to a financial institution, the
16 financial institution has a right to setoff against the account. The amount of the account subject
17 to setoff is the proportion to which the party is, or immediately before death was, beneficially
18 entitled under AS 13.33.211 or, in the absence of proof of that proportion, an equal share with
19 all parties.

20 ARTICLE 3. UNIFORM TRANSFER-ON-DEATH SECURITY
21 REGISTRATION ACT.

22 Sec. 13.33.301. DEFINITIONS. In AS 13.33.301 - 13.33.310,

23 (1) "beneficiary form" means a registration of a security that indicates the present
24 owner of the security and the intention of the owner regarding the person who will become the
25 owner of the security upon the death of the owner;

26 (2) "POD" means "pay on death";

27 (3) "register" including its derivatives, means to issue a certificate showing the
28 ownership of a certificated security or, in the case of an uncertificated security, to initiate or
29 transfer an account showing ownership of securities;

30 (4) "registering entity" means a person who originates or transfers a security title
31 by registration and includes a broker maintaining security accounts for customers and a transfer

1 agent or other person acting for or as an issuer of securities;

2 (5) "security" means a share, participation, or other interest in property, in a
3 business, or in an obligation of an enterprise or other issuer and includes a certificated security,
4 an uncertificated security, and a security account;

5 (6) "security account" means

6 (A) a reinvestment account associated with a security, a securities account
7 with a broker, a cash balance in a brokerage account, cash, interest, earnings, or dividends
8 earned or declared on a security in an account, a reinvestment account, or a brokerage
9 account, whether or not credited to the account before the owner's death; or

10 (B) a cash balance or other property held for or due to the owner of a
11 security as a replacement for or product of an account security whether or not credited
12 to the account before the owner's death;

13 (7) "TOD" means "transfer on death".

14 Sec. 13.33.302. REGISTRATION IN BENEFICIARY FORM; SOLE OR JOINT
15 TENANCY OWNERSHIP. Only individuals whose registration of a security shows sole
16 ownership by one individual or multiple ownership by two or more with right of survivorship,
17 rather than as tenants in common, may obtain registration in beneficiary form. Multiple owners
18 of a security registered in beneficiary form hold as joint tenants with right of survivorship, as
19 tenants by the entireties, or as owners of community property held in survivorship form, and not
20 as tenants in common.

21 Sec. 13.33.303. REGISTRATION IN BENEFICIARY FORM; APPLICABLE LAW. (a)
22 A security may be registered in beneficiary form if the form is authorized by this or a similar
23 TOD statute of the state of

24 (1) organization of the issuer or registering entity;

25 (2) the registering entity's principal office;

26 (3) the office of the registering entity's transfer agent or the registering entity's
27 office making the registration; or

28 (4) the owner's address at the time of registration.

29 (b) A registration governed by the law of a jurisdiction in which this or similar TOD
30 legislation is not in force or was not in force when a registration in beneficiary form was made
31 is nevertheless valid and authorized as a matter of contract law.

1 **Sec. 13.33.304. ORIGINATION OF REGISTRATION IN BENEFICIARY FORM.** A
2 security, whether evidenced by certificate or account, is registered in beneficiary form when the
3 registration includes a designation of a beneficiary to take the ownership at the death of the
4 owner or the deaths of all multiple owners.

5 **Sec. 13.33.305. FORM OF REGISTRATION IN BENEFICIARY FORM.** Registration
6 in beneficiary form may be shown by the words "transfer on death" or the abbreviation "TOD,"
7 or by words "pay on death" or the abbreviation "POD," after the name of the registered owner
8 and before the name of a beneficiary.

9 **Sec. 13.33.306. EFFECT OF REGISTRATION IN BENEFICIARY FORM.** The
10 designation of a TOD beneficiary on a registration in beneficiary form has no effect on
11 ownership until the owner's death. A registration of a security in beneficiary form may be
12 cancelled or changed at any time by the sole owner or all then surviving owners without the
13 consent of the beneficiary.

14 **Sec. 13.33.307. OWNERSHIP ON DEATH OF OWNER.** On death of a sole owner or
15 the last to die of all multiple owners, ownership of securities registered in beneficiary form
16 passes to the beneficiary or beneficiaries who survive all owners. On proof of death of all
17 owners and compliance with any applicable requirements of the registering entity, a security
18 registered in beneficiary form may be reregistered in the name of the beneficiary or beneficiaries
19 who survived the death of all owners. Until division of the security after the death of all owners,
20 multiple beneficiaries surviving the death of all owners hold their interests as tenants in common.
21 If no beneficiary survives the death of all owners, the security belongs to the estate of the
22 deceased sole owner or the estate of the last to die of all multiple owners.

23 **Sec. 13.33.308. PROTECTION OF REGISTERING ENTITY.** (a) A registering entity
24 is not required to offer or to accept a request for security registration in beneficiary form. If a
25 registration in beneficiary form is offered by a registering entity, the owner requesting registration
26 in beneficiary form assents to the protections given to the registering entity by AS 13.33.301 -
27 13.33.310.

28 (b) By accepting a request for registration of a security in beneficiary form, the
29 registering entity agrees that the registration will be implemented on death of the deceased owner
30 as provided in AS 13.33.301 - 13.33.310.

31 (c) A registering entity is discharged from all claims to a security by the estate, creditors,

1 heirs, or devisees of a deceased owner if it registers a transfer of the security in accordance with
2 AS 13.33.307 and does so in good faith reliance on

3 (1) the registration;
4 (2) AS 13.33.301 - 13.33.310; and
5 (3) on information provided to it by affidavit of the personal representative of the
6 deceased owner, or by the surviving beneficiary or by the surviving beneficiary's representative,
7 or other information available to the registering entity.

8 (d) The protection of AS 13.33.301 - 13.33.310 does not extend to a reregistration or
9 payment made after a registering entity has received written notice from a claimant to any
10 interest in the security objecting to implementation of a registration in beneficiary form. No
11 other notice or other information available to the registering entity affects its right to protection
12 under AS 13.33.301 - 13.33.310.

13 (e) The protection provided by AS 13.33.301 - 13.33.310 to the registering entity of a
14 security does not affect the rights of beneficiaries in disputes between themselves and other
15 claimants to ownership of the security transferred or its value or proceeds.

16 Sec. 13.33.309. NONTESTAMENTARY TRANSFER ON DEATH. (a) A transfer on
17 death resulting from a registration in beneficiary form is effective by reason of the contract
18 regarding the registration between the owner and the registering entity and AS 13.33.301 -
19 13.33.310 and is not testamentary.

20 (b) AS 13.33.301 - 13.33.310 do not limit the rights of creditors of security owners
21 against beneficiaries and other transferees under other laws of this state.

22 Sec. 13.33.310. TERMS, CONDITIONS, AND FORMS FOR REGISTRATION. (a)
23 A registering entity offering to accept registrations in beneficiary form may establish the terms
24 and conditions under which it will receive requests for registrations in beneficiary form and for
25 implementation of registrations in beneficiary form, including requests for cancellation of
26 previously registered TOD beneficiary designations and requests for reregistration to effect a
27 change of beneficiary. The terms and conditions established under this subsection may provide
28 for proving death, avoiding or resolving problems concerning fractional shares, designating
29 primary and contingent beneficiaries, and substituting a named beneficiary's descendants to take
30 in the place of the named beneficiary in the event of the beneficiary's death. Substitution may
31 be indicated by appending to the name of the primary beneficiary the letters LDPS, standing for

1 "lineal descendants per stirpes." This designation substitutes a deceased beneficiary's descendants
2 who survive the owner for a beneficiary who fails to so survive, the descendants to be identified
3 and to share in accordance with the law of the beneficiary's domicile at the owner's death
4 governing inheritance by descendants of an intestate. Other forms of identifying beneficiaries
5 who are to take on one or more contingencies, and rules for providing proofs and assurances
6 needed to satisfy reasonable concerns by registering entities regarding conditions and identities
7 relevant to accurate implementation of registrations in beneficiary form, may be contained in a
8 registering entity's terms and conditions.

9 (b) The following are illustrations of registrations in beneficiary form that a registering
10 entity may authorize:

11 (1) sole owner-sole beneficiary: John S Brown TOD (or POD) John S Brown Jr.;

12 (2) multiple owners-sole beneficiary: John S Brown Mary B Brown JT TEN
13 TOD John S Brown Jr.;

14 (3) multiple owners-primary and secondary (substituted) beneficiaries: John S
15 Brown; Mary B Brown JT TEN TOD John S Brown Jr. SUB BENE Peter Q Brown; or John S.
16 Brown; Mary B Brown JT TEN TOD John S Brown Jr. LDPS.

17 * Sec. 2. AS 13.06.050(45) is amended to read:

18 (45) "trust" includes an [ANY] express trust, private or charitable, with additions
19 to it, wherever and however created; it also includes a trust created or determined by judgment
20 or decree under which the trust is to be administered in the manner of an express trust; "trust"
21 excludes other constructive trusts, and it excludes resulting trusts, conservatorships, personal
22 representatives, trust accounts [AS DEFINED IN AS 13.31], custodial arrangements under
23 AS 13.46, business trusts providing for certificates to be issued to beneficiaries, common trust
24 funds, voting trusts, security arrangements, liquidation trusts, and trusts for the primary purpose
25 of paying debts, dividends, interest, salaries, wages, profits, pensions, or employee benefits of
26 any kind, and any arrangement under which a person is nominee or escrowee for another;

27 * Sec. 3. AS 13.16.260 is amended to read:

28 Sec. 13.16.260. BOND AMOUNT; SECURITY; PROCEDURE; REDUCTION. If bond
29 is required and the provisions of the will or order do not specify the amount, unless stated in the
30 application or petition, the person qualifying shall file a statement under oath with the registrar
31 indicating the person's best estimate of the value of the personal estate of the decedent and of

1 the income expected from the personal and real estate during the next year. The person
2 qualifying shall execute and file a bond with the registrar, or give other suitable security, in an
3 amount not less than the estimate. The registrar shall determine that the bond is duly executed
4 by a corporate surety, or one or more individual sureties whose performance is secured by pledge
5 of personal property, mortgage on real property or other adequate security. The registrar may
6 permit the amount of the bond to be reduced by the value of assets of the estate deposited with
7 a domestic financial institution, [() as defined in AS 13.33.201, [AS 13.31.005]] in a manner that
8 prevents their unauthorized disposition. On petition of the personal representative or another
9 interested person, the court may excuse a requirement of bond, increase or reduce the amount of
10 the bond, release sureties, or permit the substitution of another bond with the same or different
11 sureties.

12 * Sec. 4. AS 13.31 is repealed.

13 * Sec. 5. TRANSITION PROVISIONS. (a) Except as otherwise provided in this Act,

14 (1) this Act applies to the will of a decedent dying on or after January 1, 1994;

15 (2) this Act applies to a proceeding in court pending on or begun after January 1, 1994,
16 regardless of the time of the death of the decedent, except to the extent that in the opinion of the court
17 the former procedure should be made applicable in a particular case in the interest of justice or because
18 of the infeasibility of applying the procedures of this Act;

19 (3) an act done before January 1, 1994, in any proceeding and an accrued right are not
20 impaired by this Act; if a right is acquired, extinguished, or barred upon the expiration of a prescribed
21 period of time that began to run under a statute before January 1, 1994, the provisions of the statute
22 apply to that right on and after January 1, 1994;

23 (4) a rule of construction or presumption provided in this Act applies to instruments
24 executed and multiple-party accounts opened before January 1, 1994, unless there is a clear indication
25 of a contrary intent.

26 (b) AS 13.33.301, 13.33.302, 13.33.303, 13.33.304, 13.33.305, 13.33.306, 13.33.307, 13.33.308,
27 13.33.309, and 13.33.310, enacted by sec. 1 of this Act, apply to registrations of securities in beneficiary
28 form made by decedents dying on or after January 1, 1994.

29 * Sec. 6. This Act takes effect January 1, 1994.