

Mr. Philip Wagner, Executive Secretary
Employees' Retirement System

(continued)

savings bonds from him; also Mr. Michael Verderamo would have continued to receive \$12.50 every two weeks towards the payment of his home. It is our opinion, therefore, that under general insurance law, the designated beneficiaries had insurable interests in the life of the deceased.

In addition, there is authority to the effect that the requirements of insurable interest under retirement systems are not construed as strictly as the requirements of insurable interest in ordinary insurance.

In the case of Rakestraw vs. Cinsinnati, 44 NE 2d. 278, Ohio, a member of a municipal employees retirement system designated a woman with whom he lived in a meretricious relationship as beneficiary; upon his death, his legal wife filed a claim for death benefits, as did the designated beneficiary. The Court held the designated beneficiary had an insurable interest; it went on to say that where a beneficiary insures the life of deceased, the public policy of the state requires that the beneficiary have an insurable interest in the life of the deceased, but where the insured joins a retirement system and at his death his designee becomes entitled to certain rights, the question of whether the designee has an insurable interest in the life of the deceased member need not be construed so strictly inasmuch as public policy is not involved.

In addition, the claimants call attention to the statement appearing on the designation of beneficiary form and which is read to a member when he designates his beneficiary. The statement reads as follows:

"Only a person having an insurable interest in your life, such as a member of your family or relative, or a creditor. If no beneficiary is named payment will be made to estate." (Emphasis supplied)