

except that the designated beneficiary of any policy or contract on the life of the minor shall be the minor's estate and the designated beneficiary of any policy or contract on the life of a person other than the minor shall be the custodian as custodian for the minor for whom he is acting; and

(2) may pay premiums on the policy or contract out of the custodial property.

218. Exemption of third persons from liability.

No issuer, transfer agent, bank, *life insurance company*, broker or other person or *financial institution* acting on the instructions of or otherwise dealing with any person purporting to act as a donor or in the capacity of a custodian is responsible for determining whether the person designated as *custodian* by the purported donor or by the *custodian* or purporting to act as [a] *custodian* has been duly designated or whether any purchase, sale or transfer to or by or any other act of any person purporting to act in the capacity of *custodian* is in accordance with or authorized by this subtitle, or is obliged to inquire into the validity or propriety under this subtitle of any instrument or instructions executed or given by a person purporting to act as a donor or in the capacity of a *custodian*, or is bound to see to the application by any person purporting to act in the capacity of a *custodian* of any money or other property paid or delivered to him.

219. Resignation, death or removal of custodian; Bond; [Appointment] Designation of successor custodian.

(a) Only an adult member of the minor's family, a guardian of the minor or a trust company is eligible to become successor custodian. *A custodian may designate his successor by executing and dating an instrument of designation before a subscribing witness other than the successor; the instrument of designation may but need not contain the resignation of the custodian.* A successor custodian has all the rights, powers, duties and immunities of a custodian designated in a manner prescribed by this subtitle.

(b) [A custodian, other than the donor, may resign and designate his successor by:

(1) Executing an instrument of resignation designating the successor custodian; and] *The designation of a successor custodian as provided in subsection (a) takes effect as to each item of the custodial property when the custodian resigns, dies or becomes legally incapacitated and the custodian or his legal representative:*

[(2) Causing each] *(1) causes the item, if it is a security [which is custodial property and] in registered form or a life insurance policy or annuity contract, to be registered, with the issuing insurance company in the case of a life insurance policy or annuity contract, in the name of the successor custodian followed, in substance, by the words: "as custodian for*

(name of minor)

under the Maryland Uniform Gifts to Minors Act";

and

[(3) Delivering] *(2) delivers or causes to be delivered to the successor custodian [the instrument of resignation, each security registered in the name of the successor custodian and all] any other*