SUPREME COURT OF OKLAHOMA

Harjo v. Fox, 193 Okla. 672

146 P.2d 298 (1944) · Decided February 15, 1944

SUMMARY

The Oklahoma Supreme Court considered whether the Secretary of the Interior's consent was required to change beneficiaries under a life insurance policy funded with restricted Indian funds. The court held that the attempted beneficiary change was ineffective because the Secretary's discretionary consent was not given before the insured's death. The judgment awarding the proceeds to the original beneficiaries was affirmed.

CASE DETAILS

COURT	Supreme Court of Oklahoma
WRITING FOR THE COURT	Hurst; Corn; Riley; Osborn; Bayless; Davison; Arnold; Gibson; Welch
JURISDICTION	Oklahoma
DECIDED	February 15, 1944
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from a judgment for defendant in an action seeking to determine ownership of life-insurance proceeds and recover from defendant the portion of the fund she had received.
PRECEDENTIAL VALUE	Published opinion
PARTIES	Mina Harjo v. Mary Fox

TOPICS

life insurance litigation · beneficiary litigation · insurance coverage · indian affairs · trusts

PRACTICE AREAS

life insurance · insurance · Indian affairs · trusts

QUESTIONS PRESENTED

1. Whether Mina Harjo and Mary Fox were the beneficiaries under the policy, rather than merely cestuis que trustent of the Secretary of the Interior, such that Mary Fox could be eliminated only with the Secretary's consent.

2. Whether the Secretary of the Interior could validly consent to the change of beneficiaries after the insured's death when the consent required the exercise of discretion.
3. Whether the policy provisions requiring consent to a change of beneficiary were solely for the insurer's benefit and were waived when the insurer paid the proceeds after the insured's death.

HOLDINGS

1. Mina Harjo and Mary Fox, not the Secretary of the Interior, were the beneficiaries within the meaning of the policy. Because the policy required the Secretary's consent to a change of beneficiary, Mary Fox could not be eliminated without that consent.
2. The Secretary could not give effective consent after the insured's death because the required consent involved the exercise of discretion and had not been given during the insured's lifetime.
3. The insurer could not waive the policy provision requiring consent to a beneficiary change so as to destroy the vested rights of a third-party beneficiary after the insured's death.

KEY QUOTATIONS

> *"It follows that Mary Fox could not be eliminated as a beneficiary without the consent of the Secretary of the Interior."* (675)

> *"Such consent, involving the exercise of discretion and not having been given prior to the death of the insured, could not be given thereafter."* (676)

> *"We are committed to the rule that the rights of a third person, named as beneficiary in an insurance policy such as this, vest upon the death of the insured, and that the insurer may not, after the death of the insured, destroy such vested rights by waiving its rights to insist on the provisions of the policy with reference to a change of beneficiary."* (676)

FACTUAL BACKGROUND

Sandy Fox paid premiums from his restricted funds on a $25,000 life-insurance policy on the life of Legus Harjo, with the proceeds payable for the use and benefit of Mina Harjo and Mary Fox, both full-blood Creek Indians. Legus Harjo requested a change eliminating Mary Fox as beneficiary, but he died before the request was investigated or presented to, and approved by, the Secretary of the Interior. The Secretary later approved the change, but the insurance proceeds were deposited in a special fund and the Department of the Interior ultimately awarded one-half to Mary Fox. Mina Harjo challenged that allocation.

PROCEDURAL HISTORY

Mina Harjo sued to establish that she alone was entitled to the proceeds of a life-insurance policy and to recover the amount already paid to Mary Fox. The trial court entered judgment for Fox. Harjo appealed, and the Supreme Court of Oklahoma affirmed.

DISPOSITION

affirmed

CASES CITED

- United States v. Brown, 8 F.2d 564
- Sunderland v. United States, 266 U.S. 226, 235, 45 S.Ct. 64, 69 L.Ed. 259
- Nail v. American Nat. Bank of Bristow, 22 F. Supp. 977
- Burgess v. Nail, 103 F.2d 37
- New York Life Ins. Co. v. Wilson, 181 Okla. 363, 73 P.2d 1133
- Ringler v. Ringler, 156 Md. 270, 144 A. 221
- Freund v. Freund, 218 Ill. 189, 75 N.E. 925, 109 Am. St. Rep. 283
- Sheppard v. Crowley, 61 Fla. 735, 55 So. 841
- State Mutual Life Assur. Co. v. Bessett, 41 R.I. 54, 102 A. 727, L.R.A. 1918C, 961
- Carson v. Carson, 166 Okla. 161, 26 P.2d 738