FINANCIAL SERVICES AUTHORITY

SAINT VINCENT & THE GRENADINES

Friendly Societies Death Benefit Claims Management

GUIDELINES

Issued: April 30, 2026

1. INTRODUCTION

This document provides guidance to registered Friendly Societies in St. Vincent and the Grenadines on the management of death benefit claims and the settlement of outstanding balances with beneficiaries or next of kin upon a member's death. The Guidelines are intended to promote consistency, transparency, and efficiency in the administration of death benefits.

2. PURPOSE AND OBJECTIVES

The purpose of these Guidelines is to help the board and management of Friendly Societies manage death benefit claims carefully and appropriately, ensuring that decisions are driven by the best interests of both the institution and its members.

The key objectives of these Guidelines are to:

a) Establish standardised processes for initiating, assessing, and settling death benefit claims.
b) provide guidance on the rules to be established by registered Friendly Societies which govern:
    - ✓ eligibility for death benefits
    - ✓ nomination of beneficiaries
    - ✓ conditions for payment of death benefits, and
    - ✓ the circumstances under which reduced or compassionate payments may be made.

c) Promote fair, consistent, and timely payment of death benefits to beneficiaries or next of kin.
d) Ensure compliance with the *Friendly Societies Act No. 8 of 2021* and related regulatory requirements.
e) Provide a framework for documenting policies, procedures, and responsibilities in relation to death benefit claims.
f) Support good governance and accountability within Friendly Societies.

3. SCOPE OF APPLICATION

These Guidelines apply to all Friendly Societies registered in St. Vincent and the Grenadines.

4. PROVISO STATEMENT

These Guidelines are designed to standardise the process for initiating and settling death benefit claims by a beneficiary or next of kin. While they provide general guidance and explanations of relevant legal matters, they are not intended to replace or override any legislative provisions concerning death benefits. These guidelines should be read in conjunction with:

- The Friendly Societies Act No. 8 of 2021 ("the Act"); and
- Any written directives, notices, circulars, or other guidance issued by the Financial Services Authority ("the Authority") from time to time.

In developing these Guidelines, the Financial Services Authority ("FSA", "Authority") did not consider the specific circumstances of any individual friendly society. Therefore, these Guidelines should be regarded as general information to assist in managing death benefit claims. Each institution is expected to review this guidance and apply it to its procedures for settling death claims appropriately.

5. LEGAL PROVISIONS

The key legal provisions governing the payment of death benefits are set out in **Part X, Sections 41–45 of the Friendly Societies Act ("the Act")**, which address:

- The **nomination of a beneficiary**;
- The **presentation of official proof of death**;
- The **settlement of claims**; and
- The **validity of payments** made under the Act.

6. DEFINITIONS

A **"*Beneficiary*"** refers to the person designated by a member of a friendly society to manage expenses related to their burial.

"Death benefit" refers to the payment made to the named beneficiary or next of kin upon the death of a member.

"Death benefit claim" refers to a formal request made by a beneficiary for the payout of the death benefit when a financial member dies.

A **"*Financial Member*"** is an individual who contributes to a friendly society's funding scheme, whose individual contributions are sufficient to cover death benefits and operational costs at a specific point in time. A financial member's benefit can be automatically activated.

"***Non-Financial Members***" refers to inactive contributors to a friendly society's funding scheme, whose contributions or passbook balance may be insufficient to cover death benefits and operational costs at a given time.

7. DEATH BENEFIT MANAGEMENT PRINCIPLES

The efficient and consistent processing of death benefit claims is crucial for maintaining financially inclusive organizations like Friendly Societies. Proper administration of claims fosters responsible sector management, enhances confidence, and preserves an integral part of the domestic financial services sector.

Given the important roles these entities play within the financial services system, Friendly Societies are required to establish comprehensive rules for managing their death benefit claims practices.

Any rules developed by a Friendly Society on Death Benefits must adhere to the Friendly Societies Act and must include the following mandatory principles.

8. GUIDANCE ON THE STRUCTURE OF POLICIES, PRACTICES AND PROCEDURES IN RELATION TO DEATH BENEFIT ENTITLEMENT

The following policies, practice or procedures should apply to registered Friendly Societies in St. Vincent and the Grenadines in relation to the payment of death benefits:

a) Conditions for Beneficiary to Receive Full Benefits

A beneficiary should be entitled to receive the full death benefit where, at the date of the Member's death:

i) the member was a financial member in good standing, having paid all contributions due under the Rules of the Society; and

ii) the member had attained the minimum contribution period required for full benefit entitlement.

b) Membership Status and Good Standing

i) A member should be deemed to be in good standing where all dues or contributions payable to the Society have been fully paid as at the date of death.

ii) A grace period of thirty (30) days should be allowed for the late payment of contribution, during which the member's rights should not be affected.

~~iii)~~ Where a member dies while in arrears, the member should not be regarded as being in good standing; however, consideration should be given to the circumstances of the member in determining the benefit to be paid.

iv) A member who has fallen into arrears may apply for reinstatement upon payment of all amounts due or such portion thereof as the Board may determine.

v) Members whose rights have been suspended or lapsed due to arrears should not be entitled to any benefit unless reinstated prior to death. The following scenarios apply:

REINSTATEMENT PERIOD	PERCENTAGE OF BENEFIT PAYABLE
1-2 month before death	**50% of benefit**
3-5 months before death	**75% of benefit**
6 months before death	**Full benefit**

c) Qualification Period for Death Benefits

i) A new member should qualify for full death benefit after contributing for not less than six (6) consecutive months prior to death.

ii) Benefits should not be payable for death occurring prior to the completion of the minimum qualification period, except as provided above

d) Nomination of Beneficiaries

i) Every member should nominate one or more beneficiaries to receive any benefit payable under the Society's Rules.

ii) A nomination should be made on the prescribed Nomination Form, signed by the Member, and recorded in the member's records held by the Friendly Society.

iii) A member may alter or revoke a nomination by submitting a new Nomination Form. The most recent valid nomination on record should be the effective nomination.

iv) A nomination that is incomplete, illegible, unsigned, or otherwise defective should be deemed to be invalid.

e) Compliance with Rules and Conduct of Members

i) Payment of death benefits should be conditional upon compliance with the Society's Rules, the Friendly Societies Act, and any lawful resolutions of the General Meeting or the Board.

ii) Where a member gained membership or any benefit through fraud, misrepresentation, falsification of records, or conduct prejudicial to the Society, the Board may withhold or reduce the benefit otherwise payable.

f) Filing of Death Benefit Claims

i) A claim for death benefits should be submitted to the society within the period set out in the Society's Rules.

ii) Before any benefit is paid, the beneficiary should present:
- the original Death Certificate;
- valid government-issued identification; and
- the deceased member's passbook, where available

iii) Claims relating to deaths occurring outside Saint Vincent and the Grenadines should be supported by:
- an official foreign death certificate, duly notarized or authenticated;
- proof of identity of the beneficiary; and
- the deceased member's passbook

iv) The Society may accept late claims for good cause shown, provided such acceptance does not prejudice the Society.

v) The Society should settle approved death benefit claims within one week of receiving all required documentation.

vi) Where circumstances delay payment beyond the standard period, such as incomplete documents, ongoing investigation, or unresolved beneficiary disputes, the Society should notify the claimant in writing of the delay.

vii) Reduced payments and compassionate payments should be authorised by the Board.

g) Payment where no valid nomination was made

i) Where a member dies without having made a valid nomination, the death benefit should be paid to the person who in the opinion of the Society, appears to be entitled thereto under the laws relating to intestacy in St. Vincent and the Grenadines by order of priority as follows:

- Spouse (*lawful husband or wife*)
- Child
- Parents
- Brothers and Sisters
- Grandparents
- Uncles and Aunts

ii) Where no legal personal representative comes forward within a reasonable time, the Board may pay the benefit, or any part thereof, to the person who was responsible for making funeral arrangements

iii) In the absence of clear entitlement or where there is a legal challenge in regards to entitlement, the Friendly Society should not pay the benefit until a proper determination is made by a competent authority.

h) Recording of Liability

i) Upon receipt of formal notice of the death of a financial member, the Society should immediately record the corresponding liability in the accounting period in which the notice is received.

ii) Such liability should be recorded irrespective of whether a claim has yet been filed.

i) Disclosure of Unclaimed Benefits

i) The Society should publish on its notice board, website or social media pages, as applicable on a **quarterly** basis, a list of all unclaimed death benefits, stating the member's name and date of death.

ii) At the end of each financial year, all unclaimed benefits should be disclosed in the notes to the financial statements as a separate item of liability titled **"Unclaimed Death Benefits."**

iii) Unclaimed benefits should not be commingled with general accounts payable or other liabilities.

9. BOARD RESPONSIBILITIES AND OVERSIGHT

The **Board of Directors** ("the Board") of a Friendly Society is responsible for developing sound and transparent **policies for the settling of death benefit claims**. The Board is also responsible for ensuring that the Society **adheres to these policies**.

a) Mandatory oversight function:

The Board is required to:

i) **Approve and adopt** a Death Benefit Policy.
ii) **Review the Policy periodically**, and at least every two years, documenting the review and any revisions made.
iii) **Review and advise management** on best practices for the resolution of outstanding claims and other disputes relating to death benefit claims.

b) Management Reporting:

To fulfil this responsibility, the Board must establish **adequate controls** to ensure staff compliance with the Death Benefit Policy. At a minimum, these controls should include **monthly reports from management**, supported by relevant analysis, covering:

i) Claims received during the reporting period.
ii) Name, address, and contact details of the claimant.
iii) Number and value of claims settled in the period.
iv) Unresolved claims and the expected payout.
v) Factors affecting the resolution of unresolved claims.
vi) Manner in which claims were settled (e.g., cash, cheque, electronic funds transfer, direct payment to funeral home).

In addition, management must provide the Board with a **comprehensive annual report** containing sufficient information for presentation to members at the AGM.

10. CONFLICT OF INTEREST

A conflict of interest occurs when personal interests or influences are taken into account and are likely to, or appear to, impact the person's decision-making.

a) Types of Conflicts of Interest

i) **Actual conflicts of interest** – Occur when a person involved in decision-making or managing the claims process encounters a real situation[1] that may compromise fairness or impartiality.
ii) **Potential conflicts of interest** – Arise when a person is, or could be, placed in circumstances that may result in a conflict.
iii) **Perceived conflicts of interest** – Exist when circumstances give the impression of a conflict, even if none actually exists.

In fulfilling their responsibilities regarding the oversight of death benefit claims settlement, the Board shall consistently adhere to the relevant provisions, guidelines, and standards of professional conduct. As such, the Death Benefit Claims Policy established by the Board should address conflicts of interest to ensure, as far as reasonably possible, that judgment and decision-making are not influenced by personal interests, and where such influence is likely to occur, provide the necessary guidance on an appropriate prescribed course of action.

Directors who are aware of a conflict of interest related to a death benefit claim **must** disclose it to the Board and should **abstain** from any meeting or part of the meeting where the claim is discussed or a decision is to be made.

COMMENCEMENT

These Guidelines shall come into effect on the 30 **day of April, 2026.**

Issued by:

Financial Services Authority
P.O. Box 356
Kingstown
St. Vincent & the Grenadines
Tel (784) 456-2577
Fax (784) 457-2568
Electronic mail: info@svgfsa.com

[1]**A real situation** is where a competing personal interest or relationship genuinely compromises their ability to make an unbiased decision."