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What happens if your life insurance beneficiary murders you? Do they still get paid?

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Life insurance may not seem like a good topic for a movie. But it's the subject of one of the most acclaimed films of all time, "Double Indemnity."

The film is about a woman named Phyllis Dietrichson, who together with an insurance salesman devises a plan to kill her husband and make it look like an accident to collect on a life insurance policy. The hero is a claims adjustor (how often do you hear that?) who sniffs out the dastardly plot.

What happens if your beneficiary murders you?

Though it makes for an interesting story, it is very difficult for a life insurance beneficiary to receive a payout if they kill the policyholder, although stories of life insurance murders still crop up in the news from time to time. The law has long frowned on people profiting off murder.

For example: Riggs v. Palmer, an 1889 case out of New York, in which Elmer E. Palmer, the 16-year-old grandson of Francis B. Palmer, poisoned his forefather to collect his inheritance. While under the letter of the law Elmer was entitled to his inheritance, the majority ruling from the New York Court of Appeals laid out what has become known as the slayer rule: A killer shouldn't be able to profit from killing.

Of Elmer, the court wrote: "He made himself an heir by the murder, and he seeks to take property as the fruit of his crime. … He cannot vest himself of title by crime."

Even if a beneficiary is tried for murder and is found not guilty, if there is enough evidence linking them to the death, an insurer could take the beneficiary to court to argue they don't deserve the money, said Dennis Jay, executive director of the Coalition Against Insurance Fraud. In civil court, the burden of proof is lower than the reasonable doubt standard in criminal court (that's how O.J. Simpson could be found not guilty of murder in criminal court, but liable for wrongful death in civil court).

However, it would still take a strong case for a court to agree that an insurer shouldn't pay out benefits, Jay said.

Who gets the money if there's a murder?

It depends on state laws and the type of case. If there are contingent beneficiaries, that makes it easy: They get the money.

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If there are no other beneficiaries, it may fall to a court decide and the money may go to the murdered person's estate. In any case, the murderer won't get anything.

Preventing insurance murder

A standard feature of life insurance policies is the two-year contestability period. This gives insurers a window in which they can investigate whether there's anything fraudulent or suspicious about the policy. Being murdered during this period would qualify.

Insurance is regulated by states in the U.S., so there can be different laws in different places, but basically every jurisdiction in the world has some kind of slayer statute, said Peter Kochenburger, deputy director of the Insurance Law Center at the University of Connecticut School of Law. The law everywhere generally agrees insurance should not encourage murder, he said.

While state laws are mostly uniform on insurance murder, the Coalition Against Insurance Fraud's Jay said, the one blind spot in the law may be juvenile insurance.

Only a few states have tough laws requiring parents or guardians to have a good reason for taking out a large life insurance policy on their