

# State Corporation Commission

## 2015 Fiscal Impact Statement

1. **Bill Number:** SB1225

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

2. **Patron:**    McWaters

3. **Committee:** Commerce and Labor

4. **Title:**    Insurance policies and annuity contracts; creditors' claims.

5. **Summary:** Insurance policies and annuity contracts; creditors' claims. Exempts any death benefits, cash surrender or loan value of any life insurance policy, and proceeds of an annuity contract, when such sums are payable to the spouse of the insured or the person effecting the policy, or to a child, parent, or other person dependent upon the insured or the person effecting the policy, from the claims of creditors without regard to whether the owner of the policy has the right to change the beneficiary. The exemption applies to debts or liabilities incurred by the insured or annuitant on or after July 1, 2015, unless such policy, contract, or deposit was taken out, made, or assigned in writing for the benefit of such creditor. The exemption shall not apply to any insurance policy or annuity contract issued during the six months preceding the person's insolvency or bankruptcy. The measure also repeals an existing provision that protects the cash surrender or loan value of a policy from creditors' claims only if the insured cannot change the beneficiary.

6. **Budget amendment necessary:** No

7. **Fiscal Impact Estimates:** No fiscal impact on the State Corporation Commission

8. **Fiscal implications:** None on the State Corporation Commission

9. **Specific agency or political subdivisions affected:** State Corporation Commission and the Commission's Bureau of Insurance

10. **Technical amendment necessary:** No

11. **Other comments:** Insurers may need to file endorsements or amendments to existing contracts with the State Corporation Commission Bureau of Insurance if language is contained in their current contracts that conflicts with the provisions of Senate Bill 1225, but the Bureau anticipates that most do not include language that will be in conflict with the bill if enacted.

**Date:** 01/25/15/V. Tompkins

cc: Secretary of Commerce and Trade  
Secretary of Health and Human Resources