

State Corporation Commission

2016 Fiscal Impact Statement

1. Bill Number: SB640

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

2. Patron: Stanley

3. Committee: Passed Both Houses

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

5. Summary: Insurance policies and annuity contracts; exemption from creditors' claims. Provides that the cash surrender value or proceeds of any life insurance policy; the withdrawal value of an optional settlement, annuity contract, or deposit with a life insurance company; or any other benefit from such a policy, contract, or deposit shall not be liable to execution, attachment, garnishment, or other legal process in favor of any creditor of (i) the person whose life is insured by the related policy or contract; (ii) the person who can, may, or will receive the benefit of such an item, if the person is the insured or owner of the contract, deposit, indemnity, policy, or settlement or the spouse or intended spouse of, a dependent child of, or any other person dependent on the insured or owner of the contract, deposit, indemnity, policy, or settlement; (iii) the person who owns the related contract, deposit, or policy; or (iv) the person who effected the related contract, deposit, or policy. These exemptions from creditors' claims apply regardless of whether the right to change the beneficiary thereof is reserved or permitted or the insured person, the annuitant, the owner of the policy or contract, or the person effecting the policy or contract, or any of their estates, is a contingent beneficiary of the policy, contract, or deposit. These provisions do not apply to any protected insurance item issued or effected during the six months preceding the date that the person claiming the exemption files a voluntary petition in bankruptcy or is provided similar relief.

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 Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: No.

Date: 02/29/16/V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources