

## 2003 SENATE BILL 504

February 26, 2004 – Introduced by Senator SCHULTZ, cosponsored by Representatives LADWIG, J. LEHMAN, McCORMICK, KERKMAN, HUNDERTMARK and ALBERS. Referred to Committee on Agriculture, Financial Institutions and Insurance.

1     **AN ACT** *to amend* 815.18 (3) (f); and *to create* 815.18 (2) (am) of the statutes;  
2             **relating to:** life insurance and annuity contract exemptions from creditor  
3             claims.

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### ***Analysis by the Legislative Reference Bureau***

Current law exempts from creditor claims any unmatured life insurance contract that is owned by the debtor and that insures the debtor, his or her dependent, or a person on whom the debtor is dependent (life insurance contract). Current law also exempts from creditor claims a maximum of \$4,000 of the debtor's aggregate interest in any accrued dividends, interest, or loan value of his or her life insurance contract (aggregate interest). This bill removes the \$4,000 limit on the aggregate interest. The bill also exempts from creditor claims the entire value of a life insurance contract and the aggregate interest only if the life insurance contract was issued at least 24 months before the creditor claim. If the contract was issued less than 24 months before the creditor claim, the exemption may not exceed \$4,000.

Current law does not address exemptions from creditor claims for an unmatured annuity that is owned by the debtor and that insures the debtor, his or her dependent, or a person on whom the debtor is dependent (annuity contract) or the debtor's aggregate interest in any accrued dividends, interest, or loan values of his or her annuity contract (aggregate interest). The bill exempts from creditor claims the entire value of an unmatured annuity contract and the aggregate interest only if the annuity contract was issued at least 24 months before the creditor claim.

