

2003 DRAFTING REQUEST

Bill

Received: 02/23/2004

Received By: agary

Wanted: Soon

Identical to LRB:

For: Dale Schultz (608) 266-0703

By/Representing: Eileen (aide)

This file may be shown to any legislator: NO

Drafter: agary

May Contact:

Addl. Drafters:

Subject: Insurance - miscellaneous
Nat. Res. - fish and game
Probate - miscellaneous

Extra Copies: CMH

Submit via email: YES

Requester's email: Sen.Schultz@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Insurance protection against creditor lawsuits

Instructions:

Companion to 03-3732

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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FE Sent For:

*None
needed*

<END>

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02/24/2004 02:06:27 PM

Page 2

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<END>

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FE Sent For:

Handwritten notes and scribbles in the Drafting History table, including a large scribble over the 'Proofed' column, the number '24', and the text '<END>'.

Gary, Aaron

From: Hale, Janine
Sent: Monday, February 23, 2004 4:30 PM
To: Gary, Aaron
Cc: O'Neill, Eileen
Subject: Senate Companion bill to LRB 3732/3

Hi Aaron,

Sen. Schultz will be requesting a companion draft to LRB 3732/3 relating to life insurance and annuity contract exemptions from creditor claims. This was the bill you retrieved for me last week from Cathlene's desk.

If you have any questions, please feel free to contact me.

Janine Hale

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Madison, WI 53708
(608)266-9171
1-888-534-0063
janine.hale@legis.state.wi.us*



State of Wisconsin
2003 - 2004 LEGISLATURE

4352/1
LRB-~~2003~~
CMH&ARG:kmg:rs

No changes

Needed
by 2/25
end of
day

2003 BILL

- 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.**

Analysis by the Legislative Reference Bureau

Current law exempts from creditor claims any unmaturred 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 unmaturred 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 unmaturred annuity contract and the aggregate interest only if the annuity contract was issued at least 24 months before the creditor claim.

BILL

If the contract was issued less than 24 months before the creditor claim, the exemption may not exceed \$4,000.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 815.18 (2) (am) of the statutes is created to read:

2 815.18 (2) (am) "Annuity" means a series of payments payable during the life
3 of the annuitant or during a specific period.

4 **SECTION 2.** 815.18 (3) (f) of the statutes is amended to read:

5 815.18 (3) (f) *Life insurance and annuities*. Any unmaturred life insurance or
6 annuity contract owned by the debtor and insuring the debtor, the debtor's
7 dependent, or an individual of whom the debtor is a dependent, other than a credit
8 life insurance contract, and the debtor's aggregate interest, ~~not to exceed \$4,000 in~~
9 ~~value,~~ in any accrued dividends, interest, or loan value of all unmaturred life
10 insurance or annuity contracts owned by the debtor and insuring the debtor, the
11 debtor's dependent, or an individual of whom the debtor is a dependent, except that
12 if the life insurance or annuity contract was issued less than 24 months before the
13 creditor's claim against the debtor, the exemption under this paragraph may not
14 exceed \$4,000.

15 **SECTION 3. Initial applicability.**

16 (1) The treatment of section 815.18 (3) (f) of the statutes first applies to life
17 insurance or annuity contracts issued on the effective date of this subsection.

18 **(END)**

Northrop, Lori

From: O'Neill, Eileen
Sent: Tuesday, February 24, 2004 3:46 PM
To: LRB.Legal
Subject: Draft review: LRB 03-4352/1 Topic: Insurance protection against creditor lawsuits

It has been requested by <O'Neill, Eileen> that the following draft be jacketed for the SENATE:

Draft review: LRB 03-4352/1 Topic: Insurance protection against creditor lawsuits