

2003 DRAFTING REQUEST

Assembly Amendment (AA-SB504)

Received: 03/11/2004

Received By: phurley

Wanted: As time permits

Identical to LRB:

For: Glenn Grothman (608) 264-8486

By/Representing:

This file may be shown to any legislator: NO

Drafter: phurley

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Addl. Drafters:

Subject: Insurance - miscellaneous

Extra Copies: ARG, CMH

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Requester's email: Rep.Grothman@legis.state.wi.us

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Pre Topic:

No specific pre topic given

Topic:

Exemptions

Instructions:

See Attached

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>
/1	phurley 03/11/2004	kfollett 03/11/2004	chaugen 03/11/2004	_____	sbasford 03/11/2004	sbasford 03/11/2004	

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<END>

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Received: 03/11/2004 09:51 AM

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/1	phurley	1/18 3/11	Oh 3/11	GH 3/11 GF			

FE Sent For:

<END>

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.

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.

SENATE BILL 504

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 unmatured 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~~ ^{\$30000}
9 value, in any accrued dividends, interest, or loan value of all unmatured life _{m value}
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 not to exceed

(END)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBa2926/1

PSY [signature]

ASSEMBLY AMENDMENT,
TO 2003 SENATE BILL 504

*, as shown by
senate substitute
amendment 1,*

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 8: delete the material beginning with "~~not~~" and ending with
3 "value," on ~~page 2~~ ⁴ line 9, and substitute ⁵ "not to exceed \$4000 \$30,000 in value,".

4 (END)