

26-LS0176E
Bailey
2/19/09

CS FOR HOUSE BILL NO. 101()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE COGHILL

A BILL

FOR AN ACT ENTITLED

1 "An Act exempting the full value of life insurance and annuity contracts from levy to
2 satisfy a debt, and amending the description of earnings, income, cash, and other assets
3 relating to garnishment of life insurance proceeds payable upon the death of an
4 insured."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 09.38.025(a) is amended to read:

7 (a) Except as provided in this section or AS 09.38.017, an individual is
8 entitled to exemption of unmatured life insurance and annuity contracts owned by the
9 individual. [IF THE CONTRACTS HAVE ACCRUED DIVIDENDS AND LOAN
10 VALUES AVAILABLE TO THE INDIVIDUAL AGGREGATING MORE THAN
11 \$10,000, A CREDITOR MAY OBTAIN A COURT ORDER REQUIRING THE
12 INDIVIDUAL DEBTOR TO PAY THE CREDITOR, AND AUTHORIZING THE
13 CREDITOR ON THE DEBTOR'S BEHALF TO OBTAIN PAYMENT OF, THE
14 AMOUNT OF THE ACCRUED DIVIDENDS AND LOAN VALUES IN EXCESS

1 OF \$10,000 OR THE AMOUNT OF THE CREDITOR'S CLAIM, WHICHEVER IS
2 LESS.]

3 * **Sec. 2.** AS 09.38.030(e) is amended to read:

4 (e) The following property, unless exempt without limitation under
5 AS 09.38.015 or 09.38.017, upon receipt by and while it is in the possession of the
6 individual, shall be treated as earnings, income, cash, or other liquid assets under this
7 section:

8 (1) benefits paid by reason of disability, illness, or unemployment;

9 (2) money or property received for alimony or separate maintenance;

10 (3) proceeds of insurance, a judgment, or a settlement, or other rights
11 accruing as a result of bodily injury of the individual or of the wrongful death or
12 bodily injury of another individual of whom the individual was or is a dependent;

13 (4) proceeds or benefits paid [OR PAYABLE] on the death of an
14 insured, if the individual was the spouse or a dependent of the insured; and

15 (5) amounts paid under a stock bonus, pension, profit-sharing, annuity,
16 or similar plan or contract, providing benefits by reason of age, illness, disability, or
17 length of service.