

**HOUSE BILL NO. 101**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE COGHILL

Introduced: 1/30/09

Referred:

**A BILL**

**FOR AN ACT ENTITLED**

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