

CS FOR HOUSE BILL NO. 101(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 3/23/09

Referred: Rules

Sponsor(s): REPRESENTATIVES COGHILL, Lynn

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 09.38.015(a) is amended to read:

7 (a) An individual is entitled to exemption of the following property:

8 (1) a burial plot for the individual and the individual's family;

9 (2) health aids reasonably necessary to enable the individual or a
10 dependent to work or to sustain health;

11 (3) benefits paid or payable for medical, surgical, or hospital care to
12 the extent they are or will be used to pay for the care;

13 (4) an award under AS 18.67 (Violent Crimes Compensation Board) or
14 a crime victim's reparations act of another jurisdiction;

- 1 (5) benefits paid or payable as a longevity bonus under AS 47.45;
- 2 (6) compensation or benefits paid or payable and exempt under federal
- 3 law;
- 4 (7) liquor licenses granted under AS 04;
- 5 (8) tuition credit or savings accounts under a higher education savings
- 6 account established under AS 14.40.802 or an advance college tuition savings contract
- 7 authorized under AS 14.40.809(a);
- 8 (9) a permanent fund dividend to the extent allowed under
- 9 AS 43.23.065;
- 10 (10) [REPEALED
- 11 (11)] benefits paid or payable under AS 47.45.301 - 47.45.309;
- 12 **(11) unmatured life insurance and annuity contracts owned by the**
- 13 **individual.**

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

15 (e) The following property, unless exempt without limitation under

16 AS 09.38.015 or 09.38.017, upon receipt by and while it is in the possession of the

17 individual, shall be treated as earnings, income, cash, or other liquid assets under this

18 section:

- 19 (1) benefits paid by reason of disability, illness, or unemployment;
- 20 (2) money or property received for alimony or separate maintenance;
- 21 (3) proceeds of insurance, a judgment, or a settlement, or other rights
- 22 accruing as a result of bodily injury of the individual or of the wrongful death or
- 23 bodily injury of another individual of whom the individual was or is a dependent;
- 24 (4) proceeds or benefits paid [OR PAYABLE] on the death of an
- 25 insured, if the individual was the spouse or a dependent of the insured; and
- 26 (5) amounts paid under a stock bonus, pension, profit-sharing, annuity,
- 27 or similar plan or contract, providing benefits by reason of age, illness, disability, or
- 28 length of service.

29 * **Sec. 3.** AS 09.38.025(a) is repealed.

30 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to

31 read:

1 APPLICABILITY. AS 09.38.015(a), as amended by sec. 1 of this Act, and the repeal
2 of AS 09.38.025(a) by sec. 3 of this Act apply to a debt that is created on or after the effective
3 date of this Act from which an exemption is sought.