

ENGROSSED SENATE
BILL NO. 1663

By: Gumm of the Senate

and

Liotta of the House

[property and public finance - modifying provisions -
Uniform Unclaimed Property Act -

effective date]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 60 O.S. 2001, Section 653, is amended to read as follows:

Section 653. (a) Funds held or owing under any life or endowment insurance policy or annuity contract that has matured or terminated are presumed abandoned if unclaimed for more than five (5) years after the funds became due and payable as established from the records of the insurance company holding or owing the funds, but property described in paragraph (2) of subsection (c) of this section is presumed abandoned if unclaimed for more than two (2) years.

(b) If a person other than the insured or annuitant is entitled to the funds and an address of the person is not known to the company or it is not definite and certain from the records who is entitled to the funds, it is presumed that the last-known address of the person entitled to the funds is the same as the last-known address of the insured or annuitant according to the records of the company.

(c) For purposes of this act, a life or endowment insurance policy or annuity contract not matured by actual proof of death of the insured according to the records of the company is matured and the proceeds due and payable if:

- (1) the company knows that the insured or annuitant has died; or
- (2)
 - (A) the insured has attained, or would have attained if he were living, the limiting age under the mortality table on which the reserve is based;
 - (B) the policy was in force at the time the insured attained, or would have attained, the limiting age specified in subparagraph (A) of this paragraph; and
 - (C) neither the insured nor any person appearing to have an interest in the policy within the preceding two (2) years, according to the records of the company, has assigned, readjusted, or paid premiums on the policy, subjected the policy to loan, or corresponded in writing with the company concerning the policy, or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the company.

(d) For purposes of this act, the application of an automatic premium loan provision or other nonforfeiture provisions contained in an insurance policy does not prevent a policy from being matured or terminated under subsection (a) of this section if the insured has died or the insured or the beneficiary of the policy otherwise has become entitled to the proceeds thereof before the depletion of the cash surrender value of a policy by the application of those provisions.

(e) If the laws of this state or the terms of the life insurance policy require the company to give notice to the insured or the owner that an automatic premium loan provision or other nonforfeiture provision has been exercised and the notice, given to an insured or owner whose last-known address according to the

records of the company is in this state, is undeliverable, the company shall make a reasonable search to ascertain the policyholder's correct address to which the notice must be mailed.

(f) Notwithstanding any other provision of law, if the company learns of the death of the insured or annuitant and the beneficiary has not communicated with the insurer within four (4) months after the death, the company shall take reasonable steps to pay the proceeds to the beneficiary.

(g) ~~Commencing two (2) years after the effective date of this act, every~~ Every change of beneficiary form issued by an insurance company under any life or endowment insurance policy or annuity contract to an insured or owner who is a resident of the state ~~must request the following information~~ shall include, but not be limited to:

- (1) the name of each beneficiary, or if a class of beneficiaries is named, the name of each current beneficiary in the class;
- (2) the address of each beneficiary; ~~and~~
- (3) the relationship of each beneficiary to the insured;
- (4) the date(s) of birth of the insured and, if a named individual(s) is a beneficiary, the date(s) of birth of the beneficiary or beneficiaries; and
- (5) the effective date of the original policy or contract and the effective date of the change of beneficiary.

SECTION 2. AMENDATORY 60 O.S. 2001, Section 661, as amended by Section 6, Chapter 224, O.S.L. 2003 (60 O.S. Supp. 2005, Section 661), is amended to read as follows:

Section 661. A. A person holding property, tangible or intangible, presumed abandoned and subject to custody as unclaimed property under the Uniform Unclaimed Property Act shall report to the State Treasurer concerning the property as provided in this section.

B. The report must be verified and must include:

1. The name, if known, and last-known address, if any, of each person appearing from the records of the holder to be the owner of property of the value of Fifty Dollars (\$50.00) or more presumed abandoned under the Uniform Unclaimed Property Act;

2. In the case of unclaimed funds of Fifty Dollars (\$50.00) or more held or owing under any life or endowment insurance policy or annuity contract, the full name and last-known address of the insured or annuitant and of the beneficiary according to the records of the insurance company holding or owing the funds;

3. In the case of the contents of a safe deposit box or other safekeeping repository or of other tangible personal property, a description of the property and the place where it is held, which may be inspected by the State Treasurer, and any amounts, including offsets for drilling costs and rent, owing to the holder;

4. The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under Fifty Dollars (\$50.00) each must be reported in the aggregate, except property which is one of a recurring number of continuous payments, including, but not limited to, royalties, annuities, dividends, distributions, and other sums presumed abandoned pursuant to subsection D of Section 655 of this title, all of which shall be reported in the same manner as property with a value of Fifty Dollars (\$50.00) or more;

5. The date when the property became payable, demandable or returnable, and the date of the last transaction with the owner with respect to the property; ~~and~~

6. In the case of a cashier's check, if known, the names and last-known addresses of the payee(s), the payor(s) and the purchaser(s); and

7. Any other information reasonably required by the Treasurer.

C. If the person holding property presumed abandoned and subject to custody as unclaimed property is a successor to other persons who previously held the property for the apparent owner or if the name of the holder has changed while holding the property, the holder shall file with the report all known names and addresses of each previous holder of the property.

D. The report must be filed before November 1 of each year for property reportable as of the preceding September 1, but the report of any life insurance company must be filed before May 1 of each year for property reportable as of the preceding March 1. The State Treasurer may postpone the reporting date upon written request by any person required to file a report.

E. Not more than one hundred twenty (120) days before filing the report required by this section, the holder in possession of property presumed abandoned and subject to custody as unclaimed property under the Uniform Unclaimed Property Act shall send written notice to the apparent owner at the owner's last-known address informing the owner that the holder is in possession of property subject to the Uniform Unclaimed Property Act if:

1. The holder has in the records of the holder an address for the apparent owner which the holder's records do not disclose to be inaccurate;

2. The claim of the apparent owner is not barred by the statute of limitations; and

3. The property has a value of Fifty Dollars (\$50.00) or more, or the property has a value of less than Fifty Dollars (\$50.00) reportable pursuant to paragraph 4 of subsection B of this section. The holder is not required to send written notice to the owner if the holder has previously attempted to communicate with the owner, or otherwise exercised due diligence to ascertain the whereabouts of the owner. The mailing of notice by first-class mail to the last-known address of the owner by the holder shall constitute compliance

with this subsection and, if done, no further act on the part of the holder shall be necessary.

F. Reports filed by a holder shall remain confidential except for that information required to be subject to public inspection pursuant to the Uniform Unclaimed Property Act.

SECTION 3. AMENDATORY 60 O.S. 2001, Section 677.1, is amended to read as follows:

Section 677.1 If the State Treasurer determines after investigation that any property delivered under the Uniform Unclaimed Property Act has insubstantial commercial value, the State Treasurer may destroy or otherwise dispose of the property at any time ~~as long as reasonable notice has been given to the holder.~~ No action or proceeding may be maintained against the state or any officer or against the holder for or on account of any action taken by the State Treasurer pursuant to this section.

SECTION 4. AMENDATORY 62 O.S. 2001, Section 275.1, as amended by Section 17, Chapter 224, O.S.L. 2003 (62 O.S. Supp. 2005, Section 275.1), is amended to read as follows:

Section 275.1 All warrants or checks issued by the Oklahoma Public Welfare Commission and the State Treasurer, in payment of assistance to the needy, aged persons, blind or dependent children, shall be microfilmed or duplicated in a manner acceptable to the Archives and Records Commission, by the Department of Human Services, provided further that the Department of Human Services is hereby authorized and directed to destroy said warrants, by burning, shredding, chemical process or any other method which will insure the complete destruction thereof, after microfilm or other copies are made thereof. Permanent microfilm or other copies of the warrants shall be maintained by the Department of Human Services. ~~In addition to a possible earlier destruction schedule for warrants that have been duplicated satisfactorily, any redeemed warrant may be destroyed seven (7) years after it is redeemed with the~~

~~permission of the Archives and Records Commission~~ Any redeemed warrant or check that has been microfilmed, imaged or duplicated in a manner acceptable to the Archives and Records Commission shall be destroyed after a period of time consistent with banking industry standards for checks. The Archives and Records Commission, with the assistance of the State Treasurer, shall survey financial institutions to determine the industry standard for retention of paper checks after they have been duplicated in a manner consistent with federal law and industry practice. Such survey shall include the industry standard or federal law for retention of duplicated checks.

SECTION 5. AMENDATORY 62 O.S. 2001, Section 275.8, as amended by Section 19, Chapter 224, O.S.L. 2003 (62 O.S. Supp. 2005, Section 275.8), is amended to read as follows:

Section 275.8 All state bonds, bond interest coupons and duplicates of receipts redeemed by the State Treasurer and delivered to the Director of State Finance as provided by Section 41.19 of this title shall be delivered by the Director of State Finance to the Archives and Records Commission to be retained in accordance with the provisions of Sections 305 through 317 of Title 67 of the Oklahoma Statutes. All warrants or checks redeemed by the State Treasurer, ~~along with microfilm of the corresponding warrants or other duplicates of the warrants acceptable to the Archives and Records Commission,~~ shall be ~~delivered~~ microfilmed, imaged or duplicated by the State Treasurer ~~to the Archives and Records Commission to be retained in accordance with the provisions of Sections 305 through 317 of Title 67 of the Oklahoma Statutes.~~ The microfilm, image or other duplication shall be in accordance with requirements established for such records by the Archives and Records Commission. ~~In addition to a possible earlier destruction schedule for warrants that have been duplicated satisfactorily, any redeemed warrant may be destroyed seven (7) years after it is~~

~~redeemed with the permission of the Archives and Records Commission~~
Any redeemed warrant or check that has been microfilmed, imaged or duplicated in a manner acceptable to the Archives and Records Commission shall be destroyed after a period of time consistent with banking industry standards for checks. The Archives and Records Commission, with the assistance of the State Treasurer, shall survey financial institutions to determine the industry standard for retention of paper checks after they have been duplicated in a manner consistent with federal law and industry practice. Such survey shall include the industry standard or federal law for retention of duplicated checks.

No state agency may require the State Treasurer to furnish an original warrant, state check, or state voucher to the state agency if the State Treasurer makes a duplicate available. If the State Treasurer is in possession of the original warrant, the original may be furnished in response to the following:

1. A subpoena;
2. A proper discovery request in a legal proceeding;
3. For investigative purposes of a law enforcement agency; or
4. For other good cause as determined by the State Treasurer.

SECTION 6. This act shall become effective November 1, 2006.

Passed the Senate the 8th day of March, 2006.

Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____,
2006.

Presiding Officer of the House
of Representatives