

3 **Senate Bill No. 1663**  
4 **As Amended**

5 SENATE BILL NO. 1663 - By: GUMM of the Senate and LIOTTA of the  
6 House.

7 [ **property and public finance - Uniform Unclaimed Property**  
8 **Act - modifying provisions - effective date** ]

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

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

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

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

1 address of the insured or annuitant according to the records of the  
2 company.

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

7 (1) the company knows that the insured or annuitant has  
8 died; or

9 (2) (A) the insured has attained, or would have attained  
10 if he were living, the limiting age under the  
11 mortality table on which the reserve is based;

12 (B) the policy was in force at the time the insured  
13 attained, or would have attained, the limiting  
14 age specified in subparagraph (A) of this  
15 paragraph; and

16 (C) neither the insured nor any person appearing to  
17 have an interest in the policy within the  
18 preceding two (2) years, according to the records  
19 of the company, has assigned, readjusted, or paid  
20 premiums on the policy, subjected the policy to  
21 loan, or corresponded in writing with the company  
22 concerning the policy, or otherwise indicated an  
23 interest as evidenced by a memorandum or other

1 record on file prepared by an employee of the  
2 company.

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

11 (e) If the laws of this state or the terms of the life  
12 insurance policy require the company to give notice to the insured  
13 or the owner that an automatic premium loan provision or other  
14 nonforfeiture provision has been exercised and the notice, given to  
15 an insured or owner whose last-known address according to the  
16 records of the company is in this state, is undeliverable, the  
17 company shall make a reasonable search to ascertain the  
18 policyholder's correct address to which the notice must be mailed.

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

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

7 (1) the name of each beneficiary, or if a class of  
8 beneficiaries is named, the name of each current  
9 beneficiary in the class;

10 (2) the address of each beneficiary; ~~and~~

11 (3) the relationship of each beneficiary to the insured;

12 (4) the date(s) of birth of the insured and, if a named  
13 individual(s) is a beneficiary, the date(s) of birth  
14 of the beneficiary or beneficiaries; and

15 (5) the effective date of the original policy or contract  
16 and the effective date of the change of beneficiary.

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

20 Section 661. A. A person holding property, tangible or  
21 intangible, presumed abandoned and subject to custody as unclaimed  
22 property under the Uniform Unclaimed Property Act shall report to

1 the State Treasurer concerning the property as provided in this  
2 section.

3 B. The report must be verified and must include:

- 4 1. The name, if known, and last-known address, if any, of each  
5 person appearing from the records of the holder to be the owner of  
6 property of the value of Fifty Dollars (\$50.00) or more presumed  
7 abandoned under the Uniform Unclaimed Property Act;
- 8 2. In the case of unclaimed funds of Fifty Dollars (\$50.00) or  
9 more held or owing under any life or endowment insurance policy or  
10 annuity contract, the full name and last-known address of the  
11 insured or annuitant and of the beneficiary according to the records  
12 of the insurance company holding or owing the funds;
- 13 3. In the case of the contents of a safe deposit box or other  
14 safekeeping repository or of other tangible personal property, a  
15 description of the property and the place where it is held, which  
16 may be inspected by the State Treasurer, and any amounts, including  
17 offsets for drilling costs and rent, owing to the holder;
- 18 4. The nature and identifying number, if any, or description of  
19 the property and the amount appearing from the records to be due,  
20 except that items of value under Fifty Dollars (\$50.00) each must be  
21 reported in the aggregate, except property which is one of a  
22 recurring number of continuous payments, including, but not limited  
23 to, royalties, annuities, dividends, distributions, and other sums

1 presumed abandoned pursuant to subsection D of Section 655 of this  
2 title, all of which shall be reported in the same manner as property  
3 with a value of Fifty Dollars (\$50.00) or more;

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

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

10 7. Any other information reasonably required by the Treasurer.

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

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

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

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

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

13 3. The property has a value of Fifty Dollars (\$50.00) or more,  
14 or the property has a value of less than Fifty Dollars (\$50.00)  
15 reportable pursuant to paragraph 4 of subsection B of this section.  
16 The holder is not required to send written notice to the owner if  
17 the holder has previously attempted to communicate with the owner,  
18 or otherwise exercised due diligence to ascertain the whereabouts of  
19 the owner. The mailing of notice by first-class mail to the last-  
20 known address of the owner by the holder shall constitute compliance  
21 with this subsection and, if done, no further act on the part of the  
22 holder shall be necessary.

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

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

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

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

17 Section 275.1 All warrants or checks issued by the Oklahoma  
18 Public Welfare Commission and the State Treasurer, in payment of  
19 assistance to the needy, aged persons, blind or dependent children,  
20 shall be microfilmed or duplicated in a manner acceptable to the  
21 Archives and Records Commission, by the Department of Human  
22 Services, provided further that the Department of Human Services is  
23 hereby authorized and directed to destroy said warrants, by burning,

1 shredding, chemical process or any other method which will insure  
2 the complete destruction thereof, after microfilm or other copies  
3 are made thereof. Permanent microfilm or other copies of the  
4 warrants shall be maintained by the Department of Human Services.  
5 ~~In addition to a possible earlier destruction schedule for warrants~~  
6 ~~that have been duplicated satisfactorily, any redeemed warrant may~~  
7 ~~be destroyed seven (7) years after it is redeemed with the~~  
8 ~~permission of the Archives and Records Commission~~ Any redeemed  
9 warrant or check that has been microfilmed, imaged or duplicated in  
10 a manner acceptable to the Archives and Records Commission shall be  
11 destroyed after a period of time consistent with banking industry  
12 standards for checks. The Archives and Records Commission, with the  
13 assistance of the State Treasurer, shall survey financial  
14 institutions to determine the industry standard for retention of  
15 paper checks after they have been duplicated in a manner consistent  
16 with federal law and industry practice. Such survey shall include  
17 the industry standard or federal law for retention of duplicated  
18 checks.

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

22 Section 275.8 All state bonds, bond interest coupons and  
23 duplicates of receipts redeemed by the State Treasurer and delivered

1 to the Director of State Finance as provided by Section 41.19 of  
2 this title shall be delivered by the Director of State Finance to  
3 the Archives and Records Commission to be retained in accordance  
4 with the provisions of Sections 305 through 317 of Title 67 of the  
5 Oklahoma Statutes. All warrants or checks redeemed by the State  
6 Treasurer, ~~along with microfilm of the corresponding warrants or~~  
7 ~~other duplicates of the warrants acceptable to the Archives and~~  
8 ~~Records Commission,~~ shall be delivered micro-filmed, imaged or  
9 duplicated by the State Treasurer ~~to the Archives and Records~~  
10 ~~Commission to be retained in accordance with the provisions of~~  
11 ~~Sections 305 through 317 of Title 67 of the Oklahoma Statutes.~~ The  
12 microfilm, image or other duplication shall be in accordance with  
13 requirements established for such records by the Archives and  
14 Records Commission. ~~In addition to a possible earlier destruction~~  
15 ~~schedule for warrants that have been duplicated satisfactorily, any~~  
16 ~~redeemed warrant may be destroyed seven (7) years after it is~~  
17 ~~redeemed with the permission of the Archives and Records Commission~~  
18 Any redeemed warrant or check that has been microfilmed, imaged or  
19 duplicated in a manner acceptable to the Archives and Records  
20 Commission shall be destroyed after a period of time consistent with  
21 banking industry standards for checks. The Archives and Records  
22 Commission, with the assistance of the State Treasurer, shall survey  
23 financial institutions to determine the industry standard for

1 retention of paper checks after they have been duplicated in a  
2 manner consistent with federal law and industry practice. Such  
3 survey shall include the industry standard or federal law for  
4 retention of duplicated checks.

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

- 10 1. A subpoena;
  - 11 2. A proper discovery request in a legal proceeding;
  - 12 3. For investigative purposes of a law enforcement agency; or
  - 13 4. For other good cause as determined by the State Treasurer.
- 14

1 SECTION 6. This act shall become effective November 1, 2006.  
2 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-21-06 - DO PASS,  
3 As Amended and Coauthored.