

1 ENGROSSED HOUSE
2 BILL NO. 2197

By: Cannaday, Hoskin, Kiesel,
BigHorse, Brannon,
Hilliard, Roan and Smithson
of the House

4 and

5 Laster of the Senate

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9 An Act relating to poor persons; amending 56 O.S.
10 2001, Section 165, which relates to assistance of
11 aged persons; increasing amount of exclusion of
certain policies when determining assistance; and
providing for an effective date.

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

15 SECTION 1. AMENDATORY 56 O.S. 2001, Section 165, is
16 amended to read as follows:

17 Section 165. A. 1. The amount of assistance which any person
18 shall receive under the provisions of this act shall be determined
19 with due regard to the resources, to income and need of the
20 individual and other conditions existing in each case and in
21 accordance with funds available and rules of the Commission for
22 Human Services, but in no case shall it be an amount which, when
23 added to the income of the applicant from all other sources, is more
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1 than necessary to provide such person with reasonable subsistence
2 compatible with decency and health.

3 2. The cash or loan value of all life insurance policies, and
4 all revocable and irrevocable contracts for prepaid funeral
5 benefits, as defined by Sections 6121 through 6135 of Title 36 of
6 the Oklahoma Statutes, and all monies set aside in a separate
7 account and specifically designated for funeral expenses of an
8 applicant for and recipient of public assistance shall be considered
9 as a resource available to meet the needs of the applicant.

10 However, the following accruals by the applicant for and recipient
11 of public assistance shall not be considered:

12 a. One Thousand Five Hundred Dollars (\$1,500.00) cash
13 value of the policies or revocable contracts or
14 designated accounts or any combination thereof,
15 provided the cash value does not exceed One Thousand
16 Five Hundred Dollars (\$1,500.00), or

17 b. ~~Seven Thousand Five Hundred Dollars (\$7,500.00)~~ Ten
18 Thousand Dollars (\$10,000.00) plus accrued interest in
19 an irrevocable contract, designated account or cash
20 value in insurance policies, or ~~Seven Thousand Five~~
21 ~~Hundred Dollars (\$7,500.00)~~ Ten Thousand Dollars
22 (\$10,000.00) plus accrued interest in any combination
23 of irrevocable account, designated account, or cash
24 value in insurance policies.

1 3. If the recipient receives any money from the policies or
2 revocable contracts or designated accounts before the recipient's
3 death, the amount received shall be considered as a resource
4 available to meet the recipient's needs, provided, that an amount
5 not to exceed One Thousand Five Hundred Dollars (\$1,500.00) from all
6 policies may be used for prepaid burial expenses of the recipient.

7 B. It shall be the duty of the Commission for Human Services,
8 in conformity with the Federal Social Security Laws and in regard to
9 funds available, to revise and liberalize the budget as now used in
10 ascertaining the need of any person eligible to receive assistance,
11 and, in so doing, the increased cost of living and condition of
12 health of such person shall be given due consideration.

13 C. 1. Except as otherwise provided in this subsection, the
14 limitations specified pursuant to paragraph 2 of subsection A of
15 this section shall apply to the cash or loan value of all life
16 insurance policies and all revocable and irrevocable contracts for
17 prepaid funeral benefits and all monies set aside in a separate
18 account and specifically designated for funeral expenses of an
19 applicant for or recipient of public assistance which were entered
20 into or created prior to July 1, 1986, and on and after July 1,
21 1985.

22 2. Any person who entered into an irrevocable life insurance
23 policy or irrevocable contract for prepaid funeral expenses prior to
24 July 1, 1986, which exceeds the maximum limitation specified by

1 paragraph 2 of subsection A of this section, and who is receiving
2 assistance on July 1, 1986, is eligible to continue to receive such
3 assistance provided such recipient does not add to or otherwise
4 increase such irrevocable policy or contract.

5 SECTION 2. This act shall become effective November 1, 2008.

6 Passed the House of Representatives the 11th day of March, 2008.

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Presiding Officer of the House of
10 Representatives

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11 Passed the Senate the ____ day of _____, 2008.

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Presiding Officer of the Senate

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