

THE HOUSE OF REPRESENTATIVES  
Wednesday, March 5, 2008

House Bill No. 2197

HOUSE BILL NO. 2197 - By: CANNADAY, HOSKIN AND KIESEL of the House and LASTER of the Senate.

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

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

- 1 SECTION 1. AMENDATORY 56 O.S. 2001, Section 165, is amended to read as
- 2 follows:
- 3 Section 165. A. 1. The amount of assistance which any person shall receive under
- 4 the provisions of this act shall be determined with due regard to the resources, to income
- 5 and need of the individual and other conditions existing in each case and in accordance
- 6 with funds available and rules of the Commission for Human Services, but in no case
- 7 shall it be an amount which, when added to the income of the applicant from all other
- 8 sources, is more than necessary to provide such person with reasonable subsistence
- 9 compatible with decency and health.
- 10 2. The cash or loan value of all life insurance policies, and all revocable and
- 11 irrevocable contracts for prepaid funeral benefits, as defined by Sections 6121 through
- 12 6135 of Title 36 of the Oklahoma Statutes, and all monies set aside in a separate account
- 13 and specifically designated for funeral expenses of an applicant for and recipient of public

1 assistance shall be considered as a resource available to meet the needs of the applicant.  
2 However, the following accruals by the applicant for and recipient of public assistance  
3 shall not be considered:

- 4 a. One Thousand Five Hundred Dollars (\$1,500.00) cash value of the  
5 policies or revocable contracts or designated accounts or any  
6 combination thereof, provided the cash value does not exceed One  
7 Thousand Five Hundred Dollars (\$1,500.00), or  
8 b. ~~Seven Thousand Five Hundred Dollars (\$7,500.00)~~ Ten Thousand  
9 Dollars (\$10,000.00) plus accrued interest in an irrevocable contract,  
10 designated account or cash value in insurance policies, or ~~Seven~~  
11 ~~Thousand Five Hundred Dollars (\$7,500.00)~~ Ten Thousand Dollars  
12 (\$10,000.00) plus accrued interest in any combination of irrevocable  
13 account, designated account, or cash value in insurance policies.

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

19 B. It shall be the duty of the Commission for Human Services, in conformity with  
20 the Federal Social Security Laws and in regard to funds available, to revise and  
21 liberalize the budget as now used in ascertaining the need of any person eligible to

1 receive assistance, and, in so doing, the increased cost of living and condition of health of  
2 such person shall be given due consideration.

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

9 2. Any person who entered into an irrevocable life insurance policy or irrevocable  
10 contract for prepaid funeral expenses prior to July 1, 1986, which exceeds the maximum  
11 limitation specified by paragraph 2 of subsection A of this section, and who is receiving  
12 assistance on July 1, 1986, is eligible to continue to receive such assistance provided such  
13 recipient does not add to or otherwise increase such irrevocable policy or contract.

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

15 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND  
16 FINANCIAL SERVICES, dated 03-04-08 - DO PASS, As Coauthored.