

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Judiciary, to which was referred Senate Bill No. 198, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 32-34-1-20 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) For purposes of
5 this section, an indication of interest in the property by the owner:
6 (1) does not include a communication with an owner by an agent
7 of the holder who has not identified in writing the property to the
8 owner; and
9 (2) includes the following:
10 (A) With respect to an account or underlying shares of stock or
11 other interest in a business association or financial
12 organization:
13 (i) the cashing of a dividend check or other instrument of
14 payment received; or
15 (ii) evidence that the distribution has been received if the
16 distribution was made by electronic or similar means.
17 (B) A deposit to or withdrawal from a bank account.
18 (C) The payment of a premium with respect to a property
19 interest in an insurance policy.
20 (D) The mailing of any correspondence in writing from a
21 financial institution to the owner, including:
22 (i) a statement;

- 1 (ii) a report of interest paid or credited; or
 2 (iii) any other written advice;
 3 relating to a demand, savings, or matured time deposit account,
 4 including a deposit account that is automatically renewable, or
 5 any other account or other property the owner has with the
 6 financial institution if the correspondence is not returned to the
 7 financial institution for nondelivery.
- 8 (E) Any activity by the owner that concerns:
- 9 (i) another demand, savings, or matured time deposit account
 10 or other account that the owner has with a financial
 11 institution, including any activity by the owner that results
 12 in an increase or decrease in the amount of any other
 13 account; or
 14 (ii) any other relationship with the financial institution,
 15 including the payment of any amounts due on a loan;
 16 if the mailing address for the owner contained in the financial
 17 institution's books and records is the same for both an inactive
 18 account and for a related account.
- 19 (b) The application of an automatic premium loan provision or other
 20 nonforfeiture provision contained in an insurance policy does not
 21 prevent the policy from maturing or terminating if the insured has died
 22 or the insured or the beneficiary of the policy otherwise has become
 23 entitled to the proceeds before the depletion of the cash surrender value
 24 of the policy by the application of those provisions.
- 25 (c) Property that is held, issued, or owed in the ordinary course of
 26 a holder's business is presumed abandoned if the owner or apparent
 27 owner has not communicated in writing with the holder concerning the
 28 property or has not otherwise given an indication of interest in the
 29 property during the following times:
- 30 (1) For traveler's checks, fifteen (15) years after issuance.
 31 (2) For money orders, seven (7) years after issuance.
 32 (3) For consumer credits, three (3) years after the credit becomes
 33 payable.
 34 (4) For amounts owed by an insurer on a life or an endowment
 35 insurance policy or an annuity contract:
- 36 (A) if the policy or contract has matured or terminated, three
 37 (3) years after the obligation to pay arose; or
 38 (B) if the policy or contract is payable upon proof of death,
 39 three (3) years after the insured has attained, or would have
 40 attained if living, the limiting age under the mortality table on
 41 which the reserve is based.
 42 (5) For property distributable by a business association in a course

- 1 of dissolution, one (1) year after the property becomes
2 distributable.
- 3 (6) For property or proceeds held by a court or a court clerk, five
4 (5) years after the property or proceeds become distributable. The
5 property or proceeds must be treated as unclaimed property under
6 IC 32-34-3.
- 7 (7) For property held by a state or other government,
8 governmental subdivision or agency, or public corporation or
9 other public authority, one (1) year after the property becomes
10 distributable.
- 11 (8) For compensation for personal services, one (1) year after the
12 compensation becomes payable.
- 13 (9) For deposits and refunds held for subscribers by utilities, one
14 (1) year after the deposits or refunds became payable.
- 15 (10) For stock or other interest in a business association, ~~five (5)~~
16 **three (3)** years after the earlier of:
- 17 (A) the date of the last dividend, stock split, or other
18 distribution unclaimed by the apparent owner; or
- 19 (B) the date of the second mailing of a statement of account or
20 other notification or communication that was:
- 21 (i) returned as undeliverable; or
22 (ii) made after the holder discontinued mailings to the
23 apparent owner.
- 24 (11) For property in an individual retirement account or another
25 account or plan that is qualified for tax deferral under the Internal
26 Revenue Code, three (3) years after the earliest of:
- 27 (A) the actual date of the distribution or attempted distribution;
28 (B) the distribution date as stated in the plan or trust agreement
29 governing the plan; or
30 (C) the date specified in the Internal Revenue Code by which
31 distribution must begin in order to avoid a tax penalty.
- 32 (12) For a demand, savings, or matured time deposit, including a
33 deposit that is automatically renewable, five (5) years after
34 maturity or five (5) years after the date of the last indication by the
35 owner of interest in the property, whichever is earlier. Property
36 that is automatically renewable is considered matured for purposes
37 of this section upon the expiration of its initial period, unless the
38 owner has consented to a renewal at or about the time of the
39 renewal and the consent is in writing or is evidenced by a
40 memorandum or other record on file with the holder.
- 41 (13) For property payable or distributable in the course of a
42 demutualization, rehabilitation, or related reorganization of a

- 1 mutual insurance company, five (5) years after the earlier of:
2 (A) the date of last contact with the policyholder; or
3 (B) the date the property became payable or distributable.
4 (14) For all other property, the earlier of five (5) years after:
5 (A) the owner's right to demand the property; or
6 (B) the obligation to pay or distribute the property;
7 arose.
8 (d) Property is payable or distributed for purposes of this chapter
9 notwithstanding the owner's failure to make demand or present an
10 instrument or a document otherwise required to receive payment."
11 Renumber all SECTIONS consecutively.
(Reference is to SB 198 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 10, Nays 0.

Senator Bray, Chairperson