
SENATE BILL No. 303

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-34-1.

Synopsis: Unclaimed property. Reduces from five years to three years the period after which the following property is considered abandoned for purposes of the state's unclaimed property act: (1) A demand, savings, or matured time deposit. (2) Property payable as a result of a demutualization, rehabilitation, or related reorganization of a mutual insurance company. (3) All other property not otherwise specified under the unclaimed property act. Makes a technical amendment to one provision of the unclaimed property act to reflect another provision of the unclaimed property act that specifies that the act does not apply to: (1) a business to business credit memorandum; or (2) gift certificates.

Effective: July 1, 2010.

Hershman

January 11, 2010, read first time and referred to Committee on Judiciary.

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Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

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SENATE BILL No. 303



A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 32-34-1-17 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 17. (a) This section
- 3 does not apply to section 24 of this chapter.
- 4 (b) As used in this chapter, "property" means an interest in
- 5 intangible personal property, except an unliquidated claim, and all
- 6 income or increment derived from the interest, including an interest
- 7 that is referred to as or evidenced by:
- 8 (1) money, a check, a draft, a deposit, an interest, or a dividend;
- 9 (2) a credit balance, a customer overpayment, ~~a gift certificate~~, a
- 10 security deposit, a refund, a credit memorandum **other than a**
- 11 **business to business credit memorandum**, an unpaid wage, an
- 12 unused airline ticket, mineral proceeds, or an unidentified
- 13 remittance;
- 14 (3) stock and other ownership interest in a business association;
- 15 (4) a bond, debenture, note, or other evidence of indebtedness;
- 16 (5) money deposited to redeem stocks, bonds, coupons, and other
- 17 securities or to make distributions;



- 1 (6) an amount due and payable under the terms of an insurance
- 2 policy; and
- 3 (7) an amount distributable from a trust or custodial fund
- 4 established under a plan to provide:
- 5 (A) health;
- 6 (B) welfare;
- 7 (C) pension;
- 8 (D) vacation;
- 9 (E) severance;
- 10 (F) retirement;
- 11 (G) death;
- 12 (H) stock purchase;
- 13 (I) profit sharing;
- 14 (J) employee savings;
- 15 (K) supplemental unemployment insurance; or
- 16 (L) similar;
- 17 benefits.

18 (c) The term does not include transactions between business entities
 19 and:

- 20 (1) a motor carrier (as defined in IC 8-2.1-17-10); or
- 21 (2) a carrier (as defined in 49 U.S.C. 13102(3)).

22 SECTION 2. IC 32-34-1-20, AS AMENDED BY P.L.85-2005,
 23 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2010]: Sec. 20. (a) For purposes of this section, an indication
 25 of interest in the property by the owner:

- 26 (1) does not include a communication with an owner by an agent
- 27 of the holder who has not identified in writing the property to the
- 28 owner; and
- 29 (2) includes the following:
- 30 (A) With respect to an account or underlying shares of stock
- 31 or other interest in a business association or financial
- 32 organization:
- 33 (i) the cashing of a dividend check or other instrument of
- 34 payment received; or
- 35 (ii) evidence that the distribution has been received if the
- 36 distribution was made by electronic or similar means.
- 37 (B) A deposit to or withdrawal from a bank account.
- 38 (C) The payment of a premium with respect to a property
- 39 interest in an insurance policy.
- 40 (D) The mailing of any correspondence in writing from a
- 41 financial institution to the owner, including:
- 42 (i) a statement;

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- 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
- 4 account, including a deposit account that is automatically
- 5 renewable, or any other account or other property the owner
- 6 has with the financial institution if the correspondence is not
- 7 returned to the financial institution for nondelivery.
- 8 (E) Any activity by the owner that concerns:
 - 9 (i) another demand, savings, or matured time deposit
 - 10 account 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

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- 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, dividends, profits, distributions, interest,
- 16 redemption, payments on principal, or any other sum held or
- 17 owed by a business association for or to a shareholder, certificate
- 18 holder, member, bondholder, or other security holders of the
- 19 business association, or other interest in a business association,
- 20 three (3) years after the earlier of:
- 21 (A) the date of the last dividend, stock split, or other
- 22 distribution unclaimed by the apparent owner; or
- 23 (B) the date of the second mailing of a statement of account or
- 24 other notification or communication that was:
- 25 (i) returned as undeliverable; or
- 26 (ii) made after the holder discontinued mailings to the
- 27 apparent owner.
- 28 (11) For property in an individual retirement account or another
- 29 account or plan that is qualified for tax deferral under the Internal
- 30 Revenue Code, three (3) years after the earliest of:
- 31 (A) the actual date of the distribution or attempted
- 32 distribution;
- 33 (B) the distribution date as stated in the plan or trust
- 34 agreement governing the plan; or
- 35 (C) the date specified in the Internal Revenue Code by which
- 36 distribution must begin in order to avoid a tax penalty.
- 37 (12) For a demand, savings, or matured time deposit, including a
- 38 deposit that is automatically renewable, ~~five (5)~~ **three (3)** years
- 39 after maturity or ~~five (5)~~ **three (3)** years after the date of the last
- 40 indication by the owner of interest in the property, whichever is
- 41 earlier. Property that is automatically renewable is considered
- 42 matured for purposes of this section upon the expiration of its

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1 initial period, unless the owner has consented to a renewal at or
 2 about the time of the renewal and the consent is in writing or is
 3 evidenced by a memorandum or other record on file with the
 4 holder.
 5 (13) For property payable or distributable in the course of a
 6 demutualization, rehabilitation, or related reorganization of a
 7 mutual insurance company, ~~five (5)~~ **three (3)** years after the
 8 earlier of:
 9 (A) the date of last contact with the policyholder; or
 10 (B) the date the property became payable or distributable.
 11 (14) For all other property, the earlier of ~~five (5)~~ **three (3)** years
 12 after:
 13 (A) the owner's right to demand the property; or
 14 (B) the obligation to pay or distribute the property;
 15 arose.
 16 (d) Property is payable or distributed for purposes of this chapter
 17 notwithstanding the owner's failure to make demand or present an
 18 instrument or a document otherwise required to receive payment.

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