

HOUSE BILL No. 1078

DIGEST OF INTRODUCED BILL

Citations Affected: IC 28-1-20-9; IC 28-1-20-10.

Synopsis: Posting of notice in bank lobbies. Requires the posting in every bank lobby of a notice presenting certain information about joint accounts, payable on death accounts, and power of attorney accounts. Requires an officer, employee, or agent of a bank, before opening a joint account, a payable on death account, or a power of attorney account for an individual, to provide the individual with a printed notice that contains a message about those accounts and to read or paraphrase the message to ensure that the individual understands the message.

Effective: July 1, 1998.

Cook

January 6, 1998, read first time and referred to Committee on Financial Institutions.



Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

HOUSE BILL No. 1078

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

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

1 SECTION 1. IC 28-1-20-9 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 1998]: **Sec. 9. (a) As used in this section, "lobby" means the room
4 or area in a bank building in which bank tellers speak with, and
5 provide service to, customers of the bank.**
6 **(b) A bank shall post at least one (1) notice presenting the
7 message set forth in subsection (c) in a conspicuous place in each
8 lobby of the bank. The message must be printed on the notice in
9 type no smaller than 14 point type. The notice must be posted
10 approximately at eye level.**
11 **(c) The message that must appear on the notice required by this
12 section is as follows:**
13 **"NOTICE TO DEPOSITORS**
14 **The manner in which a bank account is titled gives the owners
15 certain legal rights to the funds in the account. The following
16 is a brief summary of the types of accounts and the rights of
17 owners to the funds in those accounts:**



1 **JOINT ACCOUNT:** While both owners of a joint account are
 2 alive, either owner may deposit funds in the account or
 3 withdraw any or all of the funds in the account. Upon the
 4 death of one owner, the balance in the account is paid to the
 5 surviving owner.

6 **PAYABLE ON DEATH (POD) ACCOUNT:** This type of
 7 account does not give the POD payee any rights to the funds
 8 in the account during the life of the owner of the account.
 9 When the owner of the account dies, the balance in the
 10 account is paid to the POD payee.

11 **POWER OF ATTORNEY ACCOUNT:** A sole owner of an
 12 account may add a person to the account as an
 13 attorney-in-fact by executing a power of attorney. An
 14 attorney-in-fact is authorized to sign checks for the benefit of
 15 the account owner. If an attorney-in-fact uses funds from the
 16 account in an unauthorized way, the owner of the account can
 17 bring a legal action against the attorney-in-fact to recover the
 18 funds.

19 **If you have any questions as to the type of account you wish
 20 to open, consult your attorney. The bank is not allowed to give
 21 you specific legal advice about the type of account that is right
 22 for you."**

23 SECTION 2. IC 28-1-20-10 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 1998]: **Sec. 10. (a) This section applies whenever an individual
 26 enters a bank building and requests the opening of:**

- 27 (1) a joint account;
 28 (2) a payable on death account; or
 29 (3) a power of attorney account.

30 **(b) Before an officer, employee, or agent of a bank opens a joint
 31 account, a payable on death account, or a power of attorney
 32 account at the request of an individual, the officer, employee, or
 33 agent shall:**

- 34 (1) provide the individual with a printed notice that contains
 35 the message set forth in section 9(c) of this chapter;
 36 (2) draw the individual's attention to the printed notice; and
 37 (3) read or paraphrase the message printed in the notice to
 38 ensure that the individual understands the message.

