

SENATE BILL No. 172

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-34-1-20.

Synopsis: Unclaimed property. For purposes of the Unclaimed Property Act, specifies that the failure by an owner of a bank account to make a deposit or withdrawal from the account does not by itself render the account inactive.

Effective: July 1, 2013.

Steele

January 7, 2013, read first time and referred to Committee on Financial Institutions.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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SENATE BILL No. 172



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 32-34-1-20, AS AMENDED BY P.L.64-2010,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 20. (a) For purposes of this section, an indication
4 of interest in the property by the owner:
5 (1) does not include a communication with an owner by an agent
6 of the holder who has not identified in writing the property to the
7 owner; and
8 (2) includes the following:
9 (A) With respect to an account or underlying shares of stock
10 or other interest in a business association or financial
11 organization:
12 (i) the cashing of a dividend check or other instrument of
13 payment received; or
14 (ii) evidence that the distribution has been received if the
15 distribution was made by electronic or similar means.
16 (B) A deposit to or withdrawal from a bank account.
17 **However, subject to any written agreement or contract**



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

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- 1 insurance policy or an annuity contract:
- 2 (A) if the policy or contract has matured or terminated, three
- 3 (3) years after the obligation to pay arose; or
- 4 (B) if the policy or contract is payable upon proof of death,
- 5 three (3) years after the insured has attained, or would have
- 6 attained if living, the limiting age under the mortality table on
- 7 which the reserve is based.
- 8 (5) For property distributable by a business association in a course
- 9 of dissolution, one (1) year after the property becomes
- 10 distributable.
- 11 (6) For property or proceeds held by a court or a court clerk, five
- 12 (5) years after the property or proceeds become distributable. The
- 13 property or proceeds must be treated as unclaimed property under
- 14 IC 32-34-3.
- 15 (7) For property held by a state or other government,
- 16 governmental subdivision or agency, or public corporation or
- 17 other public authority, one (1) year after the property becomes
- 18 distributable.
- 19 (8) For compensation for personal services, one (1) year after the
- 20 compensation becomes payable.
- 21 (9) For deposits and refunds held for subscribers by utilities, one
- 22 (1) year after the deposits or refunds became payable.
- 23 (10) For stock, dividends, profits, distributions, interest,
- 24 redemption, payments on principal, or any other sum held or
- 25 owed by a business association for or to a shareholder, certificate
- 26 holder, member, bondholder, or other security holders of the
- 27 business association, or other interest in a business association,
- 28 three (3) years after the earlier of:
- 29 (A) the date of the last dividend, stock split, or other
- 30 distribution unclaimed by the apparent owner; or
- 31 (B) the date of the second mailing of a statement of account or
- 32 other notification or communication that was:
- 33 (i) returned as undeliverable; or
- 34 (ii) made after the holder discontinued mailings to the
- 35 apparent owner.
- 36 (11) For property in an individual retirement account or another
- 37 account or plan that is qualified for tax deferral under the Internal
- 38 Revenue Code, three (3) years after the earliest of:
- 39 (A) the actual date of the distribution or attempted
- 40 distribution;
- 41 (B) the distribution date as stated in the plan or trust
- 42 agreement governing the plan; or

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- 1 (C) the date specified in the Internal Revenue Code by which
2 distribution must begin in order to avoid a tax penalty.
- 3 (12) For a demand, savings, or matured time deposit, including a
4 deposit that is automatically renewable, three (3) years after
5 maturity or three (3) years after the date of the last indication by
6 the owner of interest in the property, whichever is earlier.
7 Property that is automatically renewable is considered matured for
8 purposes of this section upon the expiration of its initial period,
9 unless the owner has consented to a renewal at or about the time
10 of the renewal and the consent is in writing or is evidenced by a
11 memorandum or other record on file with the holder.
- 12 (13) For property payable or distributable in the course of a
13 demutualization, rehabilitation, or related reorganization of a
14 mutual insurance company, three (3) years after the earlier of:
- 15 (A) the date of last contact with the policyholder; or
16 (B) the date the property became payable or distributable.
- 17 (14) For all other property, the earlier of three (3) years after:
- 18 (A) the owner's right to demand the property; or
19 (B) the obligation to pay or distribute the property;
20 arose.
- 21 (d) Property is payable or distributed for purposes of this chapter
22 notwithstanding the owner's failure to make demand or present an
23 instrument or a document otherwise required to receive payment.

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