

Introduced by

Senators Piepkorn, Klein, Weber

Representatives Louser, Mitskog, Ostlie

1 A BILL for an Act to amend and reenact section 28-22-03.1 of the North Dakota Century Code,
2 relating to insurance cash value exemptions.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 28-22-03.1 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **28-22-03.1. Additional exemptions for residents.**

7 In addition to the exemptions from all attachment or process, levy and sale upon execution,
8 and any other final process issued from any court, otherwise provided by law, a resident of the
9 state may select:

- 10 1. In lieu of the homestead exemption, up to ten thousand dollars. This exemption is not
11 available if the resident exemption claimant, the spouse of the resident exemption
12 claimant, or other head of the family of the resident exemption claimant has chosen
13 the homestead exemption provided for under subsection 7 of section 28-22-02.
- 14 2. A motor vehicle exemption in one vehicle not to exceed two thousand nine hundred
15 fifty dollars in value over security interests and liens upon that vehicle, or a motor
16 vehicle exemption in one vehicle not to exceed thirty-two thousand dollars for a motor
17 vehicle that has been modified at a cost of not less than one thousand five hundred
18 dollars to accommodate an individual with a permanent physical disability who is the
19 owner of that motor vehicle.
- 20 3. The debtor's aggregate interest, not to exceed one thousand five hundred dollars in
21 value, in any tools, implements, or professional books of the trade of the debtor or the
22 trade of a dependent of the debtor.
- 23 4. Any unmatured life insurance contract owned by the debtor, other than a credit life
24 insurance contract.

- 1 5. ~~The debtor's aggregate interest, not to exceed in value eight thousand dollars less any~~
2 ~~amount of property transferred in the manner specified in 11 U.S.C. 542(d), in any~~
3 ~~accrued dividend or interest under, or loan value of, any unmatured life insurance~~
4 ~~contract owned by the debtor under which the insured is the debtor or an individual of~~
5 ~~whom the debtor is a dependent.~~ Any benefits, not to exceed five hundred thousand
6 dollars, including the cash value and proceeds of an insurance policy or annuity
7 contract that has been in effect for at least one year, to be provided to an insured or
8 beneficiary under an insurance policy or annuity contract issued by a life, health, or
9 accident insurance company, annuity, or benefit plan used by an employer or
10 individual insured exclusively to the benefit of that individual.
11 6. Professionally prescribed health aids for the debtor or a dependent of the debtor.
12 7. Retirement funds that have been in effect for at least one year, to the extent those
13 funds are in a fund or account that is exempt from taxation under section 401, 403,
14 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986. The value of
15 those assets exempted may not exceed one hundred thousand dollars for any one
16 account or two hundred thousand dollars in aggregate for all accounts. The dollar limit
17 does not apply to the extent this property is reasonably necessary for the support of
18 the resident and that resident's dependents. Retirement funds are not exempt from
19 enforcement of any order to pay spousal support or child support, or a qualified
20 domestic relations order under sections 15-39.1-12.2, 39-03.1-14.2, and 54-52-17.6.
21 As used in this subsection, "reasonably necessary for the support" means required to
22 meet present and future needs, as determined by the court after consideration of the
23 resident's responsibilities and all the present and anticipated property and income of
24 the resident, including that which is exempt.
25 8. The debtor's right to receive:
26 a. A social security benefit, except that the benefit is not exempt for enforcement of
27 any order for the support of a dependent child.
28 b. Veteran's disability pension benefits, not including military retirement pay, except
29 that the benefits are not exempt from process levy or sale for enforcement of any
30 order for the support of a dependent child.
31 c. A disability, illness, or unemployment benefit.

- 1 d. Alimony, support, or separate maintenance, but not property settlements, to the
2 extent reasonably necessary for the support of the debtor and any dependent of
3 the debtor.
- 4 e. A payment under a stock bonus, pension, profit-sharing, annuity, or similar plan
5 or contract on account of illness, disability, death, age, or length of service, to the
6 extent reasonably necessary for the support of the debtor and any dependent of
7 the debtor, unless:
- 8 (1) That plan or contract was established by or under the auspices of an insider
9 that employed the debtor at the time the debtor's rights under that plan or
10 contract arose;
- 11 (2) That payment is on account of age or length of service; and
- 12 (3) That plan or contract does not qualify under section 401(a), 403(a), 403(b),
13 or 408 of the Internal Revenue Code of 1986.
- 14 9. The debtor's right to receive, or property that is traceable to:
- 15 a. An award under a crime victim's reparation law.
- 16 b. A payment on account of the wrongful death of an individual of whom the debtor
17 was a dependent, to the extent reasonably necessary for the support of the
18 debtor and any dependent of the debtor.
- 19 c. A payment under a life insurance contract that insured the life of an individual of
20 whom the debtor was a dependent on the date of that individual's death, to the
21 extent reasonably necessary for the support of the debtor and any dependent of
22 the debtor.
- 23 d. A payment, not to exceed eighteen thousand four hundred fifty dollars, on
24 account of personal bodily injury, not including pain and suffering or
25 compensation for actual pecuniary loss, of the debtor or an individual of whom
26 the debtor is a dependent.
- 27 e. A payment in compensation of loss of future earnings of the debtor or an
28 individual of whom the debtor is or was a dependent, to the extent reasonably
29 necessary for the support of the debtor and any dependent of the debtor.