

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 765

Short Title: Escheat/Abandoned Property.

(Public)

Sponsors: Representative DeVane.

Referred to: Finance.

April 6, 1993

A BILL TO BE ENTITLED

AN ACT TO MAKE AMENDMENTS TO THE LAW OF ESCHEATS AND UNCLAIMED PROPERTY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 116B-12 reads as rewritten:

"(a) Deposits and Funds. – Any demand, savings or matured time deposit in a financial institution, or any funds paid toward the purchase of shares or other interest in a financial institution shall be presumed abandoned if the financial institution ~~is~~ has been unable to locate the owner ~~and if, within the preceding five years, years as to any demand deposit, or a savings or time deposit or interest having a value of one thousand dollars (\$1,000) or less, or within the preceding 10 years, as to any such savings or time deposit or interest having a value of more than one thousand dollars (\$1,000), and if~~ the owner has not:

- (1) Increased or decreased the amount of the deposit, shares or claim, or presented to the holder the passbook, evidence of deposit or other appropriate record for the crediting of interest or dividends;
- (2) Corresponded in writing with the holder concerning the deposit, shares or claim;
- (3) Otherwise indicated an interest in the deposit, shares or claim as evidenced by a writing on file with the holder; or
- (4) Maintained another account at the same financial institution that complies with (1), (2), or (3) above.

The financial institution shall make reasonable efforts to locate the owner and to determine whether its records disclose a different address for the owner.

1 (b) Written Instruments. – Any sum payable on a check certified in the State or
2 on any written instrument issued in the State on which a financial institution is directly
3 liable shall be presumed abandoned if, within ~~10~~five years from the date payable, or
4 from the date of issuance, if payable on demand, the owner has not:

5 (1) Negotiated the instrument;

6 (2) Corresponded in writing with the financial institution concerning it;
7 nor

8 (3) Otherwise indicated an interest by a writing on file with the financial
9 institution.

10 (c) Traveler's Checks. – Any sum payable on a traveler's check, money order or a
11 similar written instrument on which a financial institution or other business association
12 is directly liable shall be presumed abandoned if, within 15 years from the date payable,
13 or from the date of issuance, if payable on demand, the owner has not:

14 (1) Negotiated the instrument;

15 (2) Corresponded in writing with the financial institution or other business
16 association concerning it; nor

17 (3) Otherwise indicated an interest as indicated by a writing on file with
18 the financial institution or other business association.

19 (d) Safe Deposit Box. – Any funds or other personal property, tangible or
20 intangible, contained in or removed from a safe deposit box or other safekeeping
21 repository shall be presumed abandoned if the owner has not claimed the property
22 within the period established by G.S. 53-43.7 and shall be delivered to the State
23 Treasurer.

24 (e) Charges, Interest or Dividends on Abandoned Property. –

25 (1) Reasonable service charges may be levied against deposits or accounts
26 during the period prior to abandonment, provided those charges may
27 not exceed the charges levied against similar active deposits or
28 accounts.

29 (2) Interest or dividends due on any deposits, accounts, funds or shares
30 presumed to be abandoned shall not be discontinued or diverted
31 because of the inactivity or during the period prior to abandonment."

32 Sec. 2. G.S. 116B-13 reads as rewritten:

33 **"§ 116B-13. Property held by life insurers.**

34 (a) Funds Owed under a Policy or Contract. – Any funds held or owing by a life
35 insurer that are due and payable under any life or endowment insurance policy or
36 annuity contract which has matured or terminated shall be presumed abandoned if they
37 have not been claimed or paid within ~~10~~five years after becoming due or payable as
38 established from the insurer's records. Funds payable according to the insurer's records
39 are deemed due and payable although the policy or contract has not been surrendered as
40 required. The insurer shall make reasonable efforts to locate the insured or annuitant
41 and to determine whether its records disclose a different address for the insured or
42 annuitant.

43 (b) Presumption of Address of Beneficiary. – If a person other than the insured or
44 annuitant is entitled to the funds and no address of the person is known to the insurer or

1 if it is not definite and certain from the records of the insurer what person is entitled to
2 the funds, it is presumed that the last known address of the person entitled to the funds
3 is the same as the last known address of the insured or annuitant according to the
4 records of the insurer.

5 (c) Presumption of Maturity. – A life insurance policy not matured by actual
6 proof of the death of the insured is deemed to be matured, and the proceeds are deemed
7 to be due and payable if the policy was in force when the insured attained the limiting
8 age under the mortality table on which the reserve is based, unless the person appearing
9 entitled thereto has, within the preceding five years, assigned, readjusted or paid
10 premiums on the policy, negotiated a dividend check, made payments on a loan, or
11 corresponded in writing with the life insurer concerning the policy.

12 (d) Negotiable Instruments. – Any sum for the payment of a claim under an
13 insurance policy or contract, which sum is payable on a negotiable instrument on which
14 the insurer is the maker or drawer shall be presumed abandoned if, within ~~10~~five years
15 from the date payable, or from the date of issuance, if payable on demand, the owner
16 has not:

- 17 (1) Negotiated the instrument;
- 18 (2) Corresponded in writing with the insurer concerning it; nor
- 19 (3) Otherwise indicated an interest by a writing on file with the insurer."

20 Sec. 3. G.S. 116B-29(d) reads as rewritten:

21 "(d) Time of Filing. – The report shall be filed before March 1 of each year as of
22 the prior June 30, but the report of insurers shall be filed before ~~May 1~~November 1 of
23 each year as of the prior December 31. The Treasurer, in his discretion, may postpone
24 the reporting date for a period not exceeding six months upon written request by any
25 person required to file a report. The Department of Revenue may use the dates
26 prescribed in this subsection for insurers in filing reports of unclaimed property with the
27 State Treasurer."

28 Sec. 4. G.S. 116B-31 reads as rewritten:

29 **"§ 116B-31. Payment or delivery of abandoned property.**

30 (a) Insurers. – Every insurer shall remit or deliver to the Treasurer on or before
31 ~~December 1~~November 1, along with the report required by G.S. 116B-29, any property
32 deemed abandoned under the provisions of this Chapter and reported as required by
33 G.S. 116B-29. These remittances shall be made payable to the Treasurer.

34 (b) Other Holders. – All other holders shall remit or deliver to the Treasurer with
35 the report required to be filed by G.S. 116B-29 any property deemed abandoned under
36 the provisions of this Chapter. These remittances shall be made payable to the State
37 Treasurer.

38 (c) Tangible Personal Property. – Prior to the delivery of any tangible personal
39 property to the Treasurer, the holder shall report to the Treasurer the nature, condition
40 and approximate value of each article of such property. The Treasurer may determine
41 that delivery of specific tangible personal property is not in the best interest of the State,
42 either because the sum or value is too small or for other good reason. The Treasurer
43 shall notify the holder of the property of his determination and may refuse to accept
44 delivery and custody of that property."

1 Sec. 5. G.S. 116B-34 reads as rewritten:

2 **"§ 116B-34. Periods of limitation not a bar.**

3 The expiration of any period of time specified by ~~statutes~~ statutes, contract, or court
4 order, during which an action or proceeding may be commenced or enforced to obtain
5 payment of a claim for money or recovery of property, shall not prevent the money or
6 property from being presumed abandoned property, nor affect any duty to file a report
7 under this Chapter or to pay or deliver abandoned property to the Treasurer."

8 Sec. 6. This act becomes effective December 1, 1993.