


FILE COPY

I MINA'TRENTA NA LIHESLATURAN GUÅHAN  
2009 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Substitute Bill No. 87 (LS), "AN ACT TO AMEND PARAGRAPH 13 OF §23111 OF CHAPTER 23 OF TITLE 7, GUAM CODE ANNOTATED, RELATIVE TO FURTHERING CREDITOR PROTECTION FOR GUAM'S RESIDENTS,"** was on the 29<sup>th</sup> day of May 2009, duly and regularly passed.

Attested:   
\_\_\_\_\_  
**Tina Rose Muña Barnes**  
**Legislative Secretary**

  
\_\_\_\_\_  
**Judith T. Won Pat, Ed. D.**  
**Speaker**

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This Act was received by *I Maga'lahaen Guåhan* this 4 day of June, 2009, at 9:55 o'clock A.M.

  
\_\_\_\_\_  
Assistant Staff Officer  
*Maga'lahaen's Office*

APPROVED:  
  
\_\_\_\_\_  
FELIX P. CAMACHO  
*I Maga'lahaen Guåhan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

***I MINA'TRENTA NA LIHESLATURAN GUÅHAN***  
**2009 (FIRST) Regular Session**

**Bill No. 87 (LS)**

As substituted by the Committee on  
Economic Development, Health & Human Services,  
and Judiciary, and amended.

Introduced by:

Ray Tenorio  
v. c. pangelinan  
R. J. Respicio  
Telo Taitague  
T. C. Ada  
F. B. Aguon, Jr.  
F. F. Blas, Jr.  
E. J.B. Calvo  
B. J.F. Cruz  
J. V. Espaldon  
Judith P. Guthertz, DPA  
T. R. Muña Barnes  
Adolpho B. Palacios, Sr.  
M. J. Rector  
Judith T. Won Pat, Ed.D.

**AN ACT TO AMEND PARAGRAPH 13 OF §23111 OF  
CHAPTER 23 OF TITLE 7, GUAM CODE ANNOTATED,  
RELATIVE TO FURTHERING CREDITOR  
PROTECTION FOR GUAM'S RESIDENTS.**

1        **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that all states and territories in the United States have laws that shield life  
4 insurance and annuity proceeds from creditors' claims. It is a commonly accepted  
5 postulate of financial planning that the primary purpose of life insurance is to  
6 replace a portion of a household's income when a primary wage earner dies.  
7 Secondary, but important, goals of life insurance include payment of funeral

1 expenses and estate administration. The third priority for life insurance is to pay  
2 off creditors. An independent study commissioned by Hartford Life Insurance Co.  
3 in 2003 revealed that 64.6% of all Americans who responded to the survey did not  
4 have sufficient life insurance to replace their income if they died.

5 *I Liheslatura* further finds that Congress authorized the creation of Pension  
6 Plans, IRAs and tax-deferred annuities to provide the means for retired Americans  
7 to maintain the same lifestyle they enjoyed while working. Many financial  
8 planning associations estimate that more than half of Americans that retire solely  
9 on Social Security benefits receive less than 60% of what they earned when they  
10 were employed.

11 It is the intent of *I Liheslatura* to provide Guam residents with the same  
12 protections that fellow citizens enjoy throughout the nation in terms of protecting  
13 their life insurance and annuity benefits from the claims of creditors.

14 **Section 2. Paragraph 13 of § 23111 of Chapter 23 of Title 7, Guam Code**  
15 **Annotated, is *amended* to read:**

16 “13. (a) Except with regard to a judgment or order for child or  
17 spousal support payments, all money received by any person, a resident of  
18 the territory, as a pension, or as an annuity or qualified or non-qualified  
19 retirement plan or disability or death or other benefit, or as a return of  
20 contributions and interest thereon, from the United States Government, from  
21 the government of Guam, or from any other political subdivision of any  
22 jurisdiction of the United States, or any public trust, or public corporation, or  
23 from the governing body of any of them, or from any public board or boards,  
24 or from any retirement, life insurance, disability or annuity policy or system  
25 established by any of them pursuant to statute, whether the same shall be in  
26 the actual possession of such pensioner or beneficiary, or deposited by him.

1           (b) Except with regard to a judgment or order for child or spousal  
2 support payments, money held, controlled or in process of distribution by  
3 private retirement plans, life insurance policy or any profit-sharing plan  
4 designed and used for retirement purposes, or the payment of benefits and as  
5 an annuity, pension, retirement allowance, disability payment or death  
6 benefit from such retirement plans, life insurance policies, annuities, or  
7 profit-sharing plans, and all contributions and interest thereof returned to any  
8 member of any such retirement, life insurance, or profit-sharing plan,  
9 whether the same shall be in the actual possession of such pensioner or  
10 beneficiary, or deposited by him. The exemption given by this paragraph  
11 shall also apply to any money held in self-employed retirement plans and  
12 individual retirement annuities or accounts or the like provided for in the  
13 *Internal Revenue Code of 1954*, as amended (Territorial Income Tax Law),  
14 provided that such money does not exceed the maximum amount exempted  
15 from federal income taxation.”