



Office of the Governor of Guam

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Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

17 JUN 2009

2009 JUN 18 AM 10:41 AM

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Trenta Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Transmitted herewith is 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" which I signed into law on June 16, 2009 as **Public Law 30-31**.

Sinseru yan Magåhet,

MICHAEL W. CRUZ, M.D.
I Maga'låhen Guåhan, para pa'go
Acting Governor of Guam

Attachment: copy of Bill

30-09-0726

Office of the Speaker
Judith T. Won Pat, Ed. D.

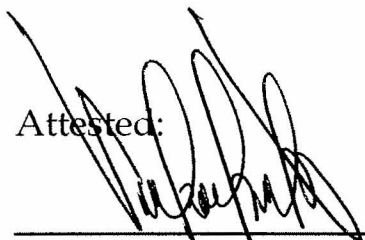
Date 6/17/09
Time
Received by J. 90

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 29th day of May 2009, duly and regularly passed.

Attested:

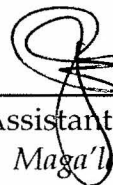


Tina Rose Muña Barnes
Legislative Secretary



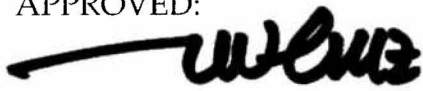
Judith T. Won Pat, Ed. D.
Speaker

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:



MIKE W. CRUZ, MD
GOVERNOR OF GUAM ACTING

Date: 16 JUN 2009

Public Law No. 30-31

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.”