

(d) To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or regulation described in subsection (c) would be effective under law other than this title but is ineffective under subsection (a) or (c), the creation, attachment, or perfection of a security interest in the promissory note, health-care-insurance receivable, or general intangible:

(1) Is not enforceable against the person obligated on the promissory note or the account debtor;

(2) Does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;

(3) Does not require the person obligated on the promissory note or the account debtor to recognize the security interest, pay or render performance to the secured party, or accept payment or performance from the secured party;

(4) Does not entitle the secured party to use or assign the debtor's rights under the promissory note, health-care-insurance receivable, or general intangible, including any related information or materials furnished to the debtor in the transaction giving rise to the promissory note, health-care-insurance receivable, or general intangible;

(5) Does not entitle the secured party to use, assign, possess, or have access to any trade secrets or confidential information of the person obligated on the promissory note or the account debtor; and

(6) Does not entitle the secured party to enforce the security interest in the promissory note, health-care-insurance receivable, or general intangible.

(e) (1) This section prevails over any inconsistent statute of this State EXCEPT AS PROVIDED IN PARAGRAPH (2).

(2) SUBSECTIONS (A) AND (C) DO NOT APPLY TO:

(A) A CLAIM OR RIGHT TO RECEIVE AMOUNTS UNDER A WORKERS' COMPENSATION ACT AS COMPENSATION FOR AN ACCIDENTAL INJURY OR AN OCCUPATIONAL DISEASE;

(B) A CLAIM OR RIGHT TO RECEIVE AMOUNTS, WHETHER BY SUIT OR AGREEMENT AND WHETHER AS LUMP SUMS OR AS PERIODIC PAYMENTS, FOR DAMAGES ARISING FROM PERSONAL INJURIES; AND

(C) A CLAIM OR RIGHT TO RECEIVE BENEFITS FROM A SPECIAL NEEDS TRUST DESCRIBED IN 42 U.S.C. § 1396P(D)(4), AS AMENDED FROM TIME TO TIME.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2002.

Approved May 16, 2002.