



Advanced Markets | Because You Asked *Creditor protection and life insurance*

In addition to the income tax benefits of life insurance, life insurance also receives creditor protection under some state laws and the federal bankruptcy code.

Frequently asked questions

1. How are life insurance policies protected under federal law?

For policyholders who file for protection under the federal bankruptcy laws, the federal Bankruptcy Code protects the actual insurance element of unmatured life insurance policies owned by a debtor and up to a specified amount (currently \$13,400 — adjusted every three years) of the debtor’s aggregate interest in any accrued dividend, interest, or loan value of an unmatured life insurance policy, provided that the insured is either the debtor, debtor’s spouse, or an individual of whom the debtor is a dependent. The federal Bankruptcy Code provides that debtors in bankruptcy may choose between either the federal exemptions provided in the Bankruptcy Code or the available state law exemptions for bankruptcy (plus exemptions provided by federal law other than the Bankruptcy Code, such as ERISA). However, some states do not allow the federal bankruptcy exemptions, in which case only the state law exemptions would be available in bankruptcy. The Bankruptcy Act passed in 2005 makes no changes to the state law exemptions for life insurance.

2. What are the exemptions available under state law?

Many states provide more extensive exemptions of life insurance than federal law. In addition to the bankruptcy exemptions, many states provide protection for the cash value and death benefit of life insurance in a nonbankruptcy context. However, in most cases, state law exempts only the beneficiary(ies) of the life insurance contract from claims by the creditors of the owner or insured of the contract in a nonbankruptcy context. In some states, the exemption for life insurance only covers the family members of the insured. Other states provide exemption from creditors’ claims for the insured and/or owner of the contract, in addition to the beneficiary of the contract. For additional creditor protection, a trust, partnership or limited liability company (LLC) may be an appropriate vehicle to own a life insurance contract.

The summary below reviews the provisions of every state for exemptions of life insurance from attachment by creditors, beginning with the non-bankruptcy context and then exemptions available in bankruptcy under federal and state law. This summary does not consider state specific case law and/or different interpretations of state statutes (except as noted). The exemptions afforded life insurance generally do not apply (i) to the extent premiums were paid to defraud creditors or (ii) when policy is pledged/assigned to secure a debt. These statutes are subject to change, and the listing below is current through **February 2022** based on the information available. For your reference, citations for the relevant provisions have been included.

INSURANCE PRODUCTS		
Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not a Deposit	Not Insured by Any Government Agency	

State-specific summaries

Alabama

Non-bankruptcy context	<p>Death benefit: Exempt from debts of owner and/or insured if payable to someone other than owner or insured. <i>Ala. Code § 6-10-8, §27-14-29</i></p> <p>Cash value: Insured-owner’s interest in the “proceeds and avails” (including loan value, dividends, death benefit) wholly protected from insured creditors if spouse and/or children are named as beneficiaries. Ala. Code § 6-10-8. If owner of the policy is the “wife of the insured,” proceeds and avails also protected from wife’s creditors. <i>Ala. Code §27-14-29(b)</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions not available. <i>Ala. Code §6-10-11</i>.</p> <p>State: State exemptions same as in non-bankruptcy context</p>

Alaska

Non-bankruptcy context	<p>Death benefit: Death benefit considered “earnings, income, cash, or other liquid asset” and are exempt from debts of beneficiaries up to a certain amount (\$473 per week) if the beneficiary was a spouse or dependent of insured. Exemption amount indexed annually. <i>Alaska Stat §§ 09.38.030(e) and 09.38.115, 8 AAC §95.030(c)</i></p> <p>Cash value: Owner’s interest in up to \$500,500 of value of unmatured policy is exempt. Alaska Stat § 09.38.025.</p>
Bankruptcy context	<p>Federal: Federal exemptions limited to certain state law exemptions. <i>Alaska Code §09.38.055</i></p> <p>State: State exemptions same as in non-bankruptcy context. <i>Alaska Code §09.38.055</i></p>

Arizona

Non-bankruptcy context	<p>Death benefit: Exempt from the debts of the owner if payable to a person other than the owner or his/her legal representatives, regardless of whether the beneficiary is an individual or a trust. <i>Ariz. Rev. Stat. §20-1131</i>. Proceeds received by a surviving spouse or child of the insured are exempt from creditors of such beneficiaries up to \$20,000. <i>Ariz. Rev. Stat. §33-1126.A. 1, May v. Ellis</i>, 208 Ariz. 229, 230-31, 92 P.3d 859, 860 (2004).</p> <p>Cash value: Exempt in the case of a debtor who, for a continuous unexpired period of two years, has named the insured’s surviving spouse, child, parent, brother, sister or other dependent as beneficiary (CSV exempt in proportion to how such beneficiaries are named). <i>Ariz. Rev. Stat. §20-1131 and §33-1126.A.6</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>Ariz. Rev. Stat. §33-1133</i>.</p> <p>State: State exemptions same as in non-bankruptcy context. <i>Ariz. Rev. Stat. §33-1133</i>.</p>

Arkansas

Non-bankruptcy context	<p>Death benefit: Exempt from the debts of the owner if payable to a person other than the owner or his/her legal representatives. <i>A.C.A. §23-79-131</i>. Proceeds received by beneficiary are fully exempt from debts of beneficiary, to the extent permitted by Arkansas Constitution. <i>A.C.A. §16-66-209</i>.</p> <p>Cash value: Exempt from debts of the owner, to the extent permitted by Arkansas Constitution. A.C.A. §16-66-209. Note, however, in <i>In re Hudspeth</i>, 92 Bankr. 827 (1988), court held that the state exemption afforded to insurance benefits in <i>A.C.A. §16-66-209</i> was unconstitutional because Article 9, Section 2 of Arkansas's Constitution imposes a \$500 limited exemption from creditor claims arising out of a contract debt. In <i>Federal Sav. & Loan Ins. Co. v. Holt</i>, 894 F.2d 1005 (8th Cir. 1990), the Court imposed a \$500 exemption ceiling on life insurance benefits and policies' cash surrender value.</p>
Bankruptcy context	<p>Federal: Federal exemptions are available. <i>A.C.A. §16-66-217</i>.</p> <p>State: State exemptions same as in non-bankruptcy context. <i>A.C.A. §§16-66-217 and 16-66-218(b)(7)</i>. As discussed in the non-bankruptcy context, these exemptions may be capped by the Arkansas Constitution Article 9, Sections 1 and 2.</p>

California

Non-bankruptcy context	<p>Death benefit: Exempt to the extent necessary for support of judgment debtor and spouse/dependents of debtor. <i>Cal. Code of Civ. Proc. §704.100(c)</i>.</p> <p>Cash value: Loan value of unmaturing policy exempt from debts of owner to the extent of \$15,650 (\$31,300 if married) (amount adjusted every 3 years). <i>Cal. Code of Civ. Proc. §§704.100(b) and 703.150</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>Cal. Code of Civ. Proc. §703.130</i>.</p> <p>State: For state bankruptcy exemptions, one of two options (but not a combination) can be chosen as described below:</p> <p>Option 1: Same state exemptions as in non-bankruptcy context.</p> <p>Option 2: Unmaturing life insurance policy owned by debtor may be exempted up to \$15,650 (amount adjusted every 3 years) of debtor's aggregate interest in any accrued dividend or interest under, or loan value of, the policy if the debtor is the insured or a dependent of the insured. <i>Cal. Code of Civ. Proc. §703.140(b)(8)</i>; see also <i>Cal. Code of Civ. Proc. §703.150</i>.</p>

Colorado

Non-bankruptcy context	<p>Death benefit: Exempt from the debts of the insured when paid to a beneficiary other than the insured's estate. <i>C.R.S. §13-54-102</i>.</p> <p>Cash value: Exempt up to \$250,000 from the debts of the insured; except there is no exemption for increases in cash value from extraordinary moneys contributed to the policy during the 48 months prior to the issuance of a writ of attachment, execution or garnishment. <i>C.R.S. §§13-54-102, 13-54-106</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>C.R.S. §13-54-107</i>.</p> <p>State: State exemptions same as in non-bankruptcy context. <i>C.R.S. §13-54-107</i>.</p>

Connecticut

Non-bankruptcy context	Death benefit: Exempt from the debts of the insured when paid to a beneficiary other than the insured's estate. <i>C.G.S.A. §38a-453.</i> Cash value: Accrued dividend, interest, or loan value of unmatured policy is exempt if debtor is the insured or dependent of the insured. <i>C.G.S.A. §52-352b.</i>
Bankruptcy context	Federal: Federal exemptions are available. State: State exemptions same as in non-bankruptcy context. <i>C.G.S.A. §38a-453.</i>

Delaware

Non-bankruptcy context	Death benefit: Exempt from the debts of the owner or insured if payable to someone other than the insured, owner or their executors, and from the debts of the beneficiary. <i>12 Del. § 1901(C).</i> Cash value: Delaware provides an exemption for cash value in life insurance, under <i>10 Del § 4915</i> . "There shall be exempt from execution or attachment process assets held or amounts payable under any retirement plan, life insurance contract or annuity."
Bankruptcy context	Federal: Federal exemptions are not available. <i>Del Code Ann. Titl 10 §4914.</i> State: State exemptions same as in non-bankruptcy context.

District of Columbia

Non-bankruptcy context	Death benefit: Exempt from debts of owner and/or insured if payable to someone other than owner or insured who has insurable interest. <i>D.C.A. §31-4716.</i> Death benefit exempt from debts of beneficiary, if debtor was a dependent of the insured and is head of household/family, to the extent necessary for support of debtor-beneficiary and any dependent of debtor. <i>D.C.A. §15-501(1)(C).</i> In other cases, death benefit is exempt from debts of beneficiary up to \$400 (if beneficiary is providing principal support for family) or \$120 (if not providing principal support). <i>D.C.A. §15-503.</i> Cash value: Unmatured policy is exempt from debts of owner other than a credit insurance contract. <i>D.C.A. §15-501(5).</i>
Bankruptcy context	Federal: Federal exemptions are available. State: State exemptions same as in non-bankruptcy context.

Florida

Non-bankruptcy context	Death benefit: Exempt from debts of insured if payable to someone other than insured or his estate. <i>Fla. Stat. §222.13.</i> Cash value: Wholly exempt from debts of owner-insured. <i>Fla. Stat. §222.14.</i>
Bankruptcy context	Federal: Federal exemptions generally not available, except exemptions listed in 11 U.S.C. §522(d)(10). <i>Fla. Stat. §§222.20 and 222.201.</i> State: State exemptions same as in non-bankruptcy context. <i>Fla. Stat. §222.20.</i>

Georgia	
Non-bankruptcy context	<p>Death benefit: Exempt from debts of insured if payable to someone other than insured or his estate. <i>O.C.G.A. §§33-25-11, 33-27-7.</i></p> <p>Cash value: Wholly exempt from debts of owner-insured. <i>O.C.G.A. §33-25-11.</i></p>
Bankruptcy context	<p>Federal: Federal bankruptcy exemptions are generally not available. <i>O.C.G.A. §44-13-100(b).</i></p> <p>State: State exemptions same as in non-bankruptcy context except only up to \$2,000 of cash surrender value is exempt. <i>O.C.G.A. §§44-13-100(a)(8) and (a)(9).</i> Debtor can also exempt proceeds of insurance policy received on an insured of whom the debtor was a dependent, to the extent reasonably necessary for the support of the debtor and any dependents of debtor. <i>O.C.G.A. §44-13-100(a)(11)(C).</i></p>
Hawaii	
Non-bankruptcy context	<p>Death benefit: Exempt from (i) debts of owner and/or insured if payable to insured's spouse, child, parent or other dependent, and (ii) from debts of aforementioned beneficiary(ies) under a settlement plan. <i>Haw. Rev. Stat. §431:10-232.</i></p> <p>Cash value: Exempt when policy is payable to insured's spouse, child, parent or other dependent. <i>Haw. Rev. Stat. §431:10-232.</i></p>
Bankruptcy context	<p>Federal: Federal exemptions are available.</p> <p>State: State exemptions are same as in non-bankruptcy context. <i>Haw. Rev. Stat. §431:10-232.</i></p>
Idaho	
Non-bankruptcy context	<p>Death benefit: Exempt from (i) debts of owner and/or insured if payable to someone other than owner and/or insured, and (ii) from debts of Beneficiary if the beneficiary is the spouse or dependent of the insured. <i>I.C. §41-1833; see also I.C. §11-604.</i></p> <p>Cash value: Exempt when owner is the insured or a dependent of the insured, except for premiums paid into the life insurance contract within six months of the filing of a bankruptcy petition. <i>I.C. §11-605(9).</i></p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>I.C. §11-609.</i></p> <p>State: State exemptions same as in non-bankruptcy context. <i>I.C. §11-609.</i></p>
Illinois	
Non-bankruptcy context	<p>Death benefit: Exempt from debts of insured if payable to insured's spouse, child, parent, or other dependent. <i>215 I.L.C.S. §5/238(a), 735 I.L.C.S. §5/12-1001(f).</i> Death benefit exempt from debts of Beneficiary, to the extent reasonably necessary for the support of Beneficiary and/or dependents, if Beneficiary was a dependent of insured. <i>735 I.L.C.S. §5/12-1001(h).</i></p> <p>Cash value: Exempt when policy is payable to insured's spouse, child, parent or other dependent. <i>735 I.L.C.S. §5/12-1001(f)</i></p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>735 I.L.C.S. §5/12-1201.</i></p> <p>State: State exemptions same as in non-bankruptcy context.</p>

Indiana

Non-bankruptcy context	<p>Death benefit: Exempt from debts of insured and his/her spouse if payable to the spouse, child or any relative dependent of the insured. Ind. <i>Code §27-1-12-14</i>. If contract includes restrictions on alienation/encumbrance, benefits payable to a person, other than the person providing consideration for the insurance contract, are wholly exempt from such beneficiary's creditors. Ind. <i>Code §27-2-5-1</i>.</p> <p>Cash value: Exempt from creditors of the insured and insured's spouse when policy is payable to insured's spouse, child, parent or other dependent. Exemption does not include premium paid within 1 year. Ind. <i>Code §27-1-12-14</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. Ind. <i>Code §34-55-10-1</i>.</p> <p>State: State exemptions same as in non-bankruptcy context.</p>

Iowa

Non-bankruptcy context	<p>Death benefit: Exempt from debts of the insured if payable to spouse, children or other dependent of the insured. <i>Iowa Code Ann. §627.6(6)</i>. Death benefit also exempt up to \$15,000 from the debts of a beneficiary (incurred prior to death of insured), if beneficiary is the surviving spouse, child or dependent of the insured. <i>Iowa Code Ann. §627.6(6)</i>.</p> <p>Cash value: Exempt if beneficiary is spouse, child, or dependent of policy owner, provided that increases in cash value attributable to prior two years are limited to \$10,000. <i>Iowa Code Ann. §627.6(6)</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>Iowa Code Ann. §627.10</i>.</p> <p>State: State exemptions same as in non-bankruptcy context.</p>

Kansas

Non-bankruptcy context	<p>Death benefit: Exempt from debts of owner, insured and beneficiary when payable to any person having an insurable interest in insured. <i>K.S.A. §40-414, §60-2313(a)(7)</i>.</p> <p>Cash value: Exempt from creditors of the owner if policy payable to person having insurable interest in insured, provided policy wasn't issued within the past year. <i>K.S.A. §40-414</i>.</p>
Bankruptcy context	<p>Federal: Only federal exemptions provided by 11 U.S.C. 522(d)(10) are available. <i>K.S.A. §60-2312</i>.</p> <p>State: State exemptions same as in non-bankruptcy context. <i>K.S.A. §60-2312</i>.</p>

Kentucky

Non-bankruptcy context	<p>Death benefit: Exempt from (i) debts of owner and/or insured if payable to someone other than owner and/or insured, and (ii) from debts of Beneficiary that exist at the time the death benefit is payable to the beneficiary. <i>K.R.S. §304.14-300</i>.</p> <p>Cash value: Wholly exempt from debts of the owner. <i>K.R.S. §427.110</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are available. <i>K.R.S. §427.170</i>.</p> <p>State: State exemptions same as in non-bankruptcy context.</p>

Louisiana

Non-bankruptcy context	Death benefit: Exempt from debts of the insured, owner or their estates, from claims by their heirs, and from debts of the beneficiary. <i>La. Rev. Stat. Ann. §22:912(A)(1)</i> . Cash value: Wholly exempt from debts of the owner and owner's estate; provided, however, that cash value exempt only up to \$35,000 when judgment/bankruptcy comes within nine months of policy being issued. <i>La. Rev. Stat. Ann. §22:912(A)(1) and(A)(2)</i> .
Bankruptcy context	Federal: Federal exemptions are not available. <i>La. Rev. Stat. Ann. §13:3881(B)(1)</i> . State: State exemptions same as in non-bankruptcy context. <i>La. Rev. Stat. Ann. §13:3881(B)(1)</i> .

Maine

Non-bankruptcy context	Death benefit: Exempt from (i) debts of owner and/or insured if payable to someone other than owner and/or insured, and (ii) from debts of Beneficiary. <i>24-A M.S.R.A. §2428</i> . Cash value: Accrued dividend or interest, or loan value, in unexpired policy (except credit life insurance) exempt from debts of owner up to \$4,000, provided insured is the debtor or individual upon whom debtor is dependent. <i>14 M.S.R.A. §4422(10) and (11)</i> .
Bankruptcy context	Federal: Only federal exemptions provided by 11 U.S.C. 522(b)(3)(A) and (B) are available. <i>14 M.S.R.A. §4426</i> . State: State exemptions same as in non-bankruptcy context. <i>14 M.S.R.A. §4426</i> .

Maryland

Non-bankruptcy context	Death benefit: Exempt from debts of insured if payable to spouse, child or dependent relative of the insured. <i>Md. Code Ann., Ins. Law §16-111, Est. and Trust Law §8-115, Court and Jud. Proc. Law §11-504(b)(2)</i> . Death benefit wholly exempt from debts of beneficiary. <i>Md. Code Ann., Court and Jud. Proc. Law §11-504(b)(2)</i> . Cash value: Unlimited exemption from debts of owner if beneficiary of policy is spouse, child or dependent relative of the insured. <i>Md. Code Ann., Ins. Law §16-111</i> .
Bankruptcy context	Federal: Federal exemptions are not available. <i>Md. Code Ann., Court and Jud. Proc. Law §11-504(g)</i> . State: State exemptions same as in non-bankruptcy context. Exemption does not include dividends if the debtor elects to receive the dividends in cash. <i>§16-111(b)</i> .

Massachusetts

Non-bankruptcy context	Death benefit: Exempt from debts of owner if the policy is payable to a beneficiary, other than the owner, with an insurable interest in insured. <i>M.G.L. c. 175, §125</i> . Death benefit exempt from debts of beneficiary if (i) proceeds held by insurer and contract prohibits beneficial interest from being assigned, encumbered or attached by, or in favor of, creditors, or (ii) beneficiary is a "married woman." <i>M.G.L. c. 175, §§119A and 126</i> . Cash value: Exempt from debts of owner if beneficiary designation is unchanged since issuance. <i>M.G.L. c. 175, §125; In re Sloss, 279 B.R. 6 (Bankr. D. Mass. 2002)</i> .
Bankruptcy context	Federal: Federal exemptions are available. State: State exemptions same as in non-bankruptcy context.

Michigan

Non-bankruptcy context	<p>Death benefit: Exempt from the debts of owner and/or insured if payable to someone other than owner and/or insured. Additional exemption of death benefit when owner is a husband or wife. <i>MCL §500.2207.</i></p> <p>Cash value: Wholly exempt from debts of the owner. <i>See MCL §500.2207. See DC Mex Holdings LLC v. Affordable Land LLC and Dale Fuller</i>, Mich. App. (July 25, 2017), Case no. 332439. Note, however, that there is precedence in Michigan that could allow creditors to access cash value in a life insurance policy owned by the debtor insured despite <i>MCL sec 500.2207</i>. <i>See Chrysler First Business Credit Corporation v. Rotenberg v. John Hancock Mutual Life Insurance Co.</i>, 789 F. Supp 870 (1992); and <i>Schenck Boncher & Prasher v. Vanderlaan</i>, 2003 Mich. App. Lexis 2082 (2003).</p>
Bankruptcy context	<p>Federal: Federal exemptions are available.</p> <p>State: State exemptions same as in non-bankruptcy context.</p>

Minnesota

Non-bankruptcy context	<p>Death benefit: Exempt from the debts of the owner if payable to someone other than the owner. <i>Minn. Stat. §61A.12</i>. Up to \$50,000 of death benefit exempt from debts of beneficiary-spouse or child (increased by \$12,500 for each dependent of surviving spouse or child). <i>Minn. Stat. §550.37(10)</i>.</p> <p>Cash value: Up to \$10,000 in cash value exempt from debts of owner if owner is the insured or a dependent of the insured. <i>Minn. Stat. §550.37(23)</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are available. <i>Minn. Stat. §550.371</i>.</p> <p>State: State exemptions same as in non-bankruptcy context. <i>Minn. Stat. §550.371</i>. Note: for married persons, special rules may apply re: exemptions available in bankruptcy. <i>See Minn. Stat. §550.371</i>.</p>

Mississippi

Non-bankruptcy context	<p>Death benefit: Exempt from debts of insured if payable to someone other than insured. <i>Miss. Code Ann. §85-3-11</i>.</p> <p>Cash value: Exempt from debts of insured if payable to someone other than the insured; provided, however, that only up to \$50,000 of cash value is exempt if premiums paid within 12 months. <i>Miss. Code Ann. §85-3-11</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>Miss. Code Ann. §85-3-2</i>.</p> <p>State: State exemptions same as in non-bankruptcy context. <i>Miss. Code Ann. §85-3-11</i>.</p>

Missouri

Non-bankruptcy context	<p>Death benefit: Exempt from debts of owner or beneficiary. <i>Mo. Rev. Stat. §§377.330 and 513.430.1</i>.</p> <p>Cash value: Wholly exempt from debts of owner. <i>Mo. Rev. Stat. §§377.330 and 513.430.1(7) and (8)</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>Mo. Rev. Stat. §513.427</i>.</p> <p>State: State exemptions same as in non-bankruptcy context, except that cash value only exempt up to a maximum of \$150,000. Also, no exemption for cash value if policy was <i>purchased by debtor within one year prior to commencement of bankruptcy</i>. <i>Mo. Rev. Stat. §513.430.1(8)</i>.</p>

Montana

Non-bankruptcy context	Death benefit: Exempt from the debts of owner and/or insured if payable to someone other than owner and/or insured. <i>Mont. Code Ann. 33-15-511.</i> Cash value: Wholly exempt from debts of owner. <i>Mont. Code Ann. 25-13-608(k).</i>
Bankruptcy context	Federal: Federal exemptions are not available. <i>Mont. Code Ann. §32-2-106.</i> State: State exemptions as provided in <i>Mont. Code Ann. §32-2-106(f).</i>

Nebraska

Non-bankruptcy context	Death benefit: Exempt from debts of insured if payable to someone other than insured's estate. Death benefit exempt from debts of beneficiary if related to the insured by blood or marriage. <i>Neb. Rev. Stat. Ann §44-371(1)(a).</i> Cash value: Up to \$100,000 exempt from debts of owner; provided, however, that cash value associated with contributions, premiums or other payments made within three years not exempt. <i>Neb. Rev. Stat. Ann §44-371(1)(b).</i>
Bankruptcy context	Federal: Federal exemptions are not available. <i>Neb Rev. Stat. Ann §25-15,105.</i> State: State exemptions same as in non-bankruptcy context. <i>Neb Rev. Stat. Ann §25-15,105.</i>

Nevada

Non-bankruptcy context	Death benefit: Exempt from (i) debts of owner and/or insured if payable to someone other than owner and/or insured, and (ii) from debts of Beneficiary. <i>NRS §687B.260.</i> Cash value: Wholly exempt from debts of owner. <i>NRS §21.090.1(k).</i>
Bankruptcy context	Federal: Federal exemptions are not available. <i>NRS §21.090.3.</i> State: State exemptions same as in non-bankruptcy context.

New Hampshire

Non-bankruptcy context	Death benefit: Exempt from debts of person effecting insurance if payable to someone else with insurable interest. N.H. Rev. Stat. Ann §408.2. Exempt from debt of beneficiary (and beneficiary's children) if beneficiary is married woman. <i>N.H. Rev. Stat. Ann §408:1.</i> Cash value: No exemption. <i>N.H. Rev. Stat. Ann §408.2; In re Monahan</i> , 171 B.R. 710 (Bankr. D.N.H. 1994).
Bankruptcy context	Federal: Federal exemptions are available. State: State exemptions same as in non-bankruptcy context.

New Jersey

Non-bankruptcy context	<p>Death benefit: Exempt from (i) debts of owner and/or insured if payable to someone other than owner and/or insured, and (ii) from debts of Beneficiary. <i>N.J. Stat. Ann. §17B:24-6.</i></p> <p>Cash value: Statute protects “proceeds and avails” of insurance contract when beneficiary is someone other than the owner and/or insured. Cash value and dividends were both protected as “proceeds and avails”, in unlimited amounts, by NJ courts in <i>Heritage Bank North v. Ashley Development Corp.</i>, 194 NJ Super 523 (1984). <i>N.J. Stat. Ann. §17B:24-6.</i></p>
Bankruptcy context	<p>Federal: Federal exemptions are available.</p> <p>State: State exemptions same as in non-bankruptcy context.</p>

New Mexico

Non-bankruptcy context	<p>Death benefit: Exempt from debts of deceased, except by special contract or arrangement in writing. <i>N.M. Stat. Ann. §42-10-5.</i></p> <p>Cash value: Wholly exempt from debts of owner. <i>N.M. Stat. Ann. §42-10-3.</i></p>
Bankruptcy context	<p>Federal: Federal exemptions are available.</p> <p>State: State exemptions same as in non-bankruptcy context.</p>

New York

Non-bankruptcy context	<p>Death benefit: Exempt from debts of insured and/or owner if payable to a third person beneficiary. Exempt from debts of insured if payable to owner who is not the insured. Death benefit also exempt from debts of owner who is the spouse of the insured. <i>C.L.N.Y., Insurance Law, §3212.</i></p> <p>Cash value: Wholly exempt from debts of owner. <i>C.L.N.Y., Insurance Law, §3212(b); In re Mesigner</i>, 29 F.2d 158 (2nd Cir. 1928). Note, however, that loans taken by a debtor-owner are not protected under the statute because the debtor has full control and disposal of the proceeds. See <i>Tanges v. Schonbrun</i>, 196 N.Y.S. 2d 381 (Nassau County Supreme 1959).</p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>C.L.N.Y., Debtor & Creditor Law, §284.</i></p> <p>State: State exemptions same as in non-bankruptcy context. <i>C.L.N.Y., Debtor & Creditor Law, §282.</i></p>

North Carolina

Non-bankruptcy context	<p>Death benefit: Exempt from debts of insured and/or owner if payable to someone other than the insured or owner. <i>N.C. Gen. Stat. §§1C-1601(a)(6), 58-58-95, 58-58-115.</i></p> <p>Cash value: Wholly exempt from debts of owner-insured if payable to insured’s spouse and/or children. <i>N.C. Gen. Stat. § 58-58-95.</i></p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>N.C. Gen. Stat. §§1C-1601(f).</i></p> <p>State: State exemptions same as in non-bankruptcy context. <i>N.C. Gen. Stat. §§1C-1601(f).</i></p>

North Dakota

Non-bankruptcy context	Death benefit: Exempt from debts of the deceased even when payable to the deceased, heirs of the deceased, the deceased's estate, or a trustee of a lifetime or testamentary trust. <i>N.D. Cent. Code §§26.1-33-40, 26.1-33-42, §28-22-03.1.</i> Cash value: Exempt from debts of owner/insured up to a maximum of \$8,000. <i>N.D. Cent. Code §26.1-26-33-36; see also, §28-22-03.1.</i>
Bankruptcy context	Federal: Federal exemptions are not available. <i>N.D. Cent. Code §28-22-17.</i> State: State exemptions same as in non-bankruptcy context.

Ohio

Non-bankruptcy context	Death benefit: Exempt from debts of insured if payable to insured's spouse, children, dependent relative, charity, creditor, or trust for benefit of the aforementioned individuals. <i>Ohio Rev. Code Ann. §3911.10, §2329.66(A)(6)(b).</i> Cash value: Proceeds and avails exempt from debts of insured if payable to insured's spouse, children, dependent, relative, charity, creditor, or trust for benefit of aforementioned individuals. Statute does not specify if cash value is included in "proceeds and avails" but case law indicates that it does. <i>Ohio Rev. Code Ann. §3911.10, §2329.66(A)(6)(b); Huntington Natl. Bank v. Winter, 2011-Ohio-1751.</i>
Bankruptcy context	Federal: Federal exemptions are not available. <i>Ohio Rev. Code Ann. §2329.662.</i> State: State exemptions same as in non-bankruptcy context.

Oklahoma

Non-bankruptcy context	Death benefit: Wholly exempt from debts of insured and debts of the beneficiary. <i>Okla. Stat. Ann. tit. §36.3631.1.</i> Cash value: Wholly exempt from debts of insured. <i>Okla. Stat. Ann. tit. §36.3631.1.</i>
Bankruptcy context	Federal: Federal exemptions are not available. <i>Okla. Stat. Ann. tit. §31-1(B).</i> State: State exemptions same as in non-bankruptcy context.

Oregon

Non-bankruptcy context	Death benefit: Exempt from debts of owner if payable to someone other than owner. <i>O.R. Rev. Stat. §743.046(1).</i> Cash value: Wholly exempt from debts of insured-owner if payable to someone other than insured's estate. <i>O.R. Rev. Stat. §743.046(3).</i>
Bankruptcy context	Federal: Federal exemptions are not available. <i>O.R. Rev. Stat. §18.300.</i> State: State exemptions same as in non-bankruptcy context. <i>O.R. Rev. Stat. §18.300.</i>

Pennsylvania

Non-bankruptcy context	<p>Death benefit: Exempt from debts of the insured if payable to spouse, child or dependent relative of insured. <i>42 Pa. Cons. Stat. §8124(c)</i>. May be exempt from debts of beneficiary if proceeds are retained by insurer and policy prohibits assigning proceeds/income. See <i>42 Pa. Cons. Stat. §8124(c)(4)</i>.</p> <p>Cash value: “Net amount payable,” which has been interpreted to include cash value, exempt from debts of owner when spouse, child or other relative dependent of the insured is named as beneficiary. <i>42 Pa. Cons. Stat. §8124(c)(6)</i>; <i>Plastipak Packaging, Inc. v. DePasquale</i>, C.A. 4 (Pa.) 2003, 75 Fed. Appx. 86 (unpublished). Exempt from debts of insured-owner, when insured is the beneficiary, except amount exceeding an income or return of \$100/month. <i>42 Pa. Cons. Stat. §8124(c)(3)</i>.</p>
Bankruptcy context	<p>Federal: Federal exemptions are available.</p> <p>State: State exemptions same as in non-bankruptcy context.</p>

Rhode Island

Non-bankruptcy context	<p>Death benefit: Exempt from debts of owner and/or insured if payable to someone other than the owner and insured. <i>R.I. Gen. Laws §27-4-11</i>. May be exempt from debts of beneficiary if contract prohibits transfer, anticipation, encumbrance by a beneficiary. <i>R.I. Gen. Laws §27-4-12</i>.</p> <p>Cash value: Statute protects “proceeds and avails” of insurance contract when beneficiary is someone other than the owner and/or insured. <i>R.I. Gen. Laws §27-4-11</i>. Case law indicates that “proceeds and avails” includes unexercised cash surrender value. See <i>Rhode Island Hospital Trust National Bank v. Silverman</i>, 2002 WL 220786; <i>In re Soori-Arachi and Tamgho</i>, 2019 BK No. 17-10570.</p>
Bankruptcy context	<p>Federal: Federal exemptions are available.</p> <p>State: State exemptions same as in non-bankruptcy context.</p>

South Carolina

Non-bankruptcy context	<p>Death benefit: Wholly exempt from debts of insured if payable to a beneficiary (other than insured’s estate) where proceeds are for primary benefit of spouse, children or dependents. S.C. Code §38-63-40(A). If bankruptcy filed within two years, maximum of \$4,000 is exempt from debts of insured. <i>S.C. Code §§38-63-40(A)</i>, 15-41-30. Exempt from debts of beneficiary if proceeds are held by insurer, per agreement, to protect from creditors. <i>S.C. Code §38-63-40(B)</i>.</p> <p>Cash value: Exempt from debts of insured if payable to insured’s spouse, children, or dependents; and purchased more than 2 years prior. <i>S.C. Code §38-63-40(A)</i>; otherwise, up to \$4,000 exempt from debts of the owner if debtor is the insured or a dependent of the insured (\$50,000 cap for group term insurance benefiting spouse and children). <i>S.C. Code 15-41-30; §38-65-90</i>. But see, <i>In re Sims</i>, 421 B.R. 745, 748 (Bankr. D.S.C. 2010) where court interpreted §38-63-40 as not protecting debtor’s interest in cash surrender value from bankruptcy estate despite the fact that debtor’s spouse was named as beneficiary.</p>
Bankruptcy context	<p>Federal: Federal exemptions are not available. <i>S.C. Code §15-41-35</i>.</p> <p>State: State exemptions same as in non-bankruptcy context. <i>S.C. Code §15-41-35</i>.</p>

South Dakota

Non-bankruptcy context	Death benefit: Up to \$20,000 exempt from debts of insured and beneficiaries if payable to insured's spouse and/or children. <i>SDCL §58-12-4</i> . Up to \$10,000 exempt from debts of insured and beneficiary-spouse and/or minor child(ren) if payable to insured's estate. <i>SDCL §43-45-6</i> . Cash value: Up to \$20,000 exempt from debts of insured-owner. <i>SDCL 58-12-4</i> .
Bankruptcy context	Federal: Federal exemptions are not available. <i>SDCL §43-31-30</i> . State: State exemptions same as in non-bankruptcy context. <i>SDCL §43-31-30</i> .

Tennessee

Non-bankruptcy context	Death benefit: Exempt from debts of insured if (i) insured died intestate to extent proceeds benefit insured's surviving spouse and/or children, (ii) insured died testate leaving proceeds to estate or to revocable trust, unless specifically charged with debts in the will/rev trust, (iii) payable to spouse, children or dependent of the insured. <i>TCA §§56-7-201, 56-7-203</i> . Death benefit also exempt from debts of insured if owned by insured's spouse and payable to spouse and children. <i>TCA §56-7-202</i> . Cash value: "Net amount payable" (which has been determined to include cash value) exempt from debts of owner-insured if payable to insured's spouse, children or dependent. <i>TCA §56-7-203</i> ; <i>In re Billington</i> , 376 B.R. 239 (Bankr. M.D. Tenn 2007).
Bankruptcy context	Federal: Federal exemptions are not available. <i>TCA §26-2-112</i> . State: State exemptions same as in non-bankruptcy context. <i>TCA §26-2-112</i> .

Texas

Non-bankruptcy context	Death benefit: Wholly exempt from debts of insured and debts of beneficiary. <i>Tex. Ins. Code §§1108:051, 1108:052, 1108:053</i> . Cash value: Wholly exempt from debts of insured-owner. <i>Tex. Ins. Code §1108:051</i> .
Bankruptcy context	Federal: Federal exemptions are available. State: Insurance benefits fully exempt for insured and beneficiary in bankruptcy proceedings. <i>Tex. Ins. Code §1108:051(b)(2)(C)</i> .

Utah

Non-bankruptcy context	Death benefit: Exempt from: (i) debts of insured if payable to or for the benefit of insured's spouse and/or children, provided contract was in existence for at least a year and (ii) debts of beneficiary if insured was spouse or child of the beneficiary, provided debtor-beneficiary owned contract for at least a year. <i>Utah Code Ann. §78B-5-505(xi), (xii)</i> . Cash value: Wholly exempt from debts of owner, except payments made within one year of creditor's levy or execution. <i>Utah Code Ann. §78B-5-505(xiii)</i> .
Bankruptcy context	Federal: Federal exemptions are not available. <i>Utah Code Ann. §78B-5-513</i> . State: State exemptions same as in non-bankruptcy context.

Vermont

Non-bankruptcy context	Death benefit: Exempt from (i) debts of insured and/or owner if payable to someone other than insured/owner, and (ii) debts of beneficiary existing at time policy is made available for his/her use. <i>8 V.S.A. §3706</i> . Death benefit also exempt from debts of beneficiary, to the extent reasonably necessary for support of debtor and dependents, if debtor was dependent of insured. <i>12 V.S.A. §2740(19)(H)</i> . Cash value: Unmatured policy exempt from debts of owner. <i>12 V.S.A. § 2740(18); In re Gabelhart</i> , 138 B.R. 425 (Bankr. D. Vt. 1992).
Bankruptcy context	Federal: Federal exemptions are available. State: State exemptions same as in non-bankruptcy context

Virginia

Non-bankruptcy context	Death benefit: Exempt from debts of insured and/or owner if payable to someone other than insured/owner. <i>VA Code §38.2-3122</i> . Cash value: Statute exempts cash value from creditors of (i) insured, (ii) owner, (iii) beneficiary (provided beneficiary is the insured, owner, spouse or dependent of the owner or insured), and (iv) person who effected the contract. <i>VA Code §38.2-3122</i> .
Bankruptcy context	Federal: Federal exemptions are not available. <i>VA Code §34-3.1</i> . State: State exemptions same as in non-bankruptcy context.

Washington

Non-bankruptcy context	Death benefit: Exempt from (i) debts of insured and/or owner if payable to someone other than insured/owner, and (ii) debts of beneficiary existing at time policy is made available for his/her use. Exemptions don't apply if claim is made against proceeds by the insured or person "effecting the insurance." <i>R.C.W. §48.18.410</i> . Proceeds from group life insurance policies are exempt from debts of insured and beneficiaries. <i>R.C.W. §48.18.420</i> . Cash value: Statute protects "proceeds and avails" of insurance contract when beneficiary is someone other than the owner and/or insured. Although the statute is unclear if "proceeds and avails" includes cash value, case law indicates that that it does, holding that creditor access to the cash value, "wipe(s) out the protective benefits of the policy." See <i>R.C.W. §48.18.410, In re Elliott (1968) 74 Wash.2d 600, 446 P.2d 347</i> .
Bankruptcy context	Federal: Federal exemptions are available. State: State exemptions same as in non-bankruptcy context.

West Virginia

Non-bankruptcy context	Death benefit: Exempt from debts of insured and/or owner if payable to someone other than insured/owner. <i>W. Va. Code §33-6-27.</i> Cash value: Statute protects “proceeds and avails” of insurance contract when beneficiary is someone other than the owner and/or insured. Not clear if “proceeds and avails” includes cash value. <i>W. Va. Code §33-6-27.</i> Consumer protection laws exempt policy (except accrued dividends) from debts of owner-insured from rent-to-own creditors if payable to insured’s spouse or children. <i>W. Va. Code §46B-6-6.</i>
Bankruptcy context	Federal: Federal exemptions are not available. <i>W. Va. Code §38-10-4.</i> State: Debtor who files for bankruptcy may exempt up to \$8,000 of cash value on policy owned by debtor if debtor is the insured or dependent of the insured. <i>W. Va. §38-10-4(h).</i>

Wisconsin

Non-bankruptcy context	Death benefit: Exempt from debts of beneficiary, to the extent reasonably necessary for the support of debtor and debtor’s dependents, if debtor was a dependent of the insured. <i>Wis. Stat. Ann. §815.18(3)(i)(a).</i> Cash value: Up to \$150,000 exempt from debts of owner if policy insures debtor, debtor’s dependents or individual of whom debtor is dependent; provided exemption limited to \$4,000 if policy was issued within 24 months of action being filed (or money was added to contract within 24 months). The exemption could also be limited, for a policy greater than 24 months old, to the policy value before premiums were paid in the previous 24 months. <i>Wis. Stat. Ann. §815.18(3)(f).</i>
Bankruptcy context	Federal: Federal exemptions are available. State: State exemptions same as in non-bankruptcy context.

Wyoming

Non-bankruptcy context	Death benefit: Exempt from (i) debts of insured and/or owner if payable to someone other than insured/owner and (ii) debts of beneficiary. <i>Wyo. Stat. Ann. §26-15-129.</i> Cash value: Wholly exempt from debts of owner if someone other than debtor is named as beneficiary. <i>Wyo. Stat. Ann. §26-15-129;</i> In re Vigil, 74 Fed. Appx. 19 (10th Cir. 2003).
Bankruptcy context	Federal: Federal exemptions are not available. <i>Wyo. Stat. Ann. §1-20-109.</i> State: State exemptions same as in non-bankruptcy context.

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