

Not to be all doom and gloom, but what if for some reason you got sued for everything you had and all your liquid assets were confiscated? Except for the cash value inside of your life insurance policy that is.

Did you know that depending on your state, the cash value inside a life insurance policy may be protected from the policyholder's creditors when lawsuits and judgments arise? Wealthy people often pay serious legal fees for layers upon layers of asset protection structures. Because life insurance is deemed by both federal and state governments to provide a societal good, assets deposited into life insurance contracts are often afforded certain levels of protection from creditors that cannot be found in other assets like bank accounts, investment accounts, or real estate.

Get ready for some serious CYA legal disclosures. When reviewing the following data on state specific laws, please keep in mind that:

- This document was published before you're reading it. You must discuss the current legislation with qualified legal counsel to see if the facts presented below are still valid.
- Creditors' rights differ between each state and the rights of creditors and the parties involved can be impacted by the facts and details of each case.
- Some states offer no protection for cash values and others offer very little protection
- Circumstances and protection may differ from what is stated if the client is considering bankruptcy. Both Federal and State bankruptcy laws need to be considered.
- Certain policy ownership situations may nullify creditor protection.
- Pledging your policy as collateral with outside lenders may nullify creditor protection.
- Life insurance cannot be used to defraud creditors. Whatever protection is listed below is nullified when a fraudulent conveyance is involved.
- Life insurance should not be considered solely as an asset protection tool.
- If your State is not a favorable one, there may be additional measures you can employ to create a wrapper of asset protection around your life insurance policy.

This grid on the following pages summarizes the provisions of protection provided by each state for life insurance assets as of Spring of 2016.

"As they say in football "Defense wins championships," and protecting your wealth can be just as important as growing it. Feel free to contact us for an appointment to discuss how building your own banking mechanism with life insurance may help to not only solidify your defense, but also to optimize the offense in your wealth building strategies."

STATE NAME	DEATH BENEFIT EXEMPTION	CASH VALUE EXEMPTION	BANKRUPTCY EXEMPTION	APPLICABLE CODE SECTION(S)
Alabama	Death benefit proceeds are exempt from the debts of the insured or owner if payable to a person other than the owner, insured or their executors or administrators. Owner's interest in death benefit proceeds protected from creditors of insured if owner (or owner's spouse) is insured, and spouse and/or children (or owner and/or children) are beneficiaries.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available to the extent it is available under the laws of the State of Alabama and under federal laws other than Subsection (d) of Section 522 of said Title 11 of the United States Code. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Ala. Code §§ 6-10-8, 27-14-29(c), and 6-10-11.
Alaska	Death benefit proceeds are protected from creditors of owners, insureds and beneficiaries up to a maximum of \$1,400 in any month.	Owner's interest in up to \$500,000 of value of unmaturred policy is exempt.	Federal bankruptcy exemptions are limited to certain state law exemptions. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Alaska Stat. §§ 09.38.025, 09.38.030(b), and 09.38.055.
Arizona	Beneficiary's interest in death benefit proceeds protected from creditors of owner . Maximum exemption of \$20,000 of death benefit if payable to spouse or child as beneficiary.	Cash surrender value is exempt if payable to a person other than the owner who has held the policy at least 2 years; and spouse, child, parent, sibling, or other dependent family member is beneficiary.	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Ariz. Rev. Stat. §§ 20-1131, 33-1126(1) and 33-1126(A)(6), and 33-1126 (C), and 33-1133.
Arkansas	Death benefit proceeds are exempt from the debts of the insured or the owner if payable to beneficiaries other than the insured, owner, or their executors or administrators.	Limited to \$500 by Arkansas Constitution Article 9, § 2 (see also Federal Ins. Co. v. Holt, 894 F.2d 1005 (8th Cir. 1990)).	Federal exemptions are available. According to case law ¹ , however, the exemptions are limited by Article 9 § 2 of Arkansas's Constitution which imposes a \$500 limited exemption from creditors claims. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Ark. Code Ann. §§ 16-66-209, 16-66-217, 16-66-218(b)(7) and 23-79-131(a)(1). Arkansas's Constitution Article 9 § 2.

¹ See In re Hudspeth, 92 Bankr. 827 (1998). The court held that the state exemption contained in Ark. Code Ann. Sec. 16-66-209 of the value of all insurance benefits without limitation is unconstitutional because it directly conflicts with Arkansas' Constitution. Article 9 Sec. 2 of Arkansas' Constitution imposes a \$500 limited exemption from creditors claims. The Bankruptcy Court refused to use Sec. 16-66-209 to exempt property from inclusion in the debtor's estate pursuant to Sec. 16-66-218(b)(7). In Federal Sav. & Loan Ins. Co. v. Holt, 894 F.2d 1005 (8th Cir. 1990), the court also imposed a \$500 exemption ceiling on life insurance benefits and policies' cash surrender value.

STATE NAME	DEATH BENEFIT EXEMPTION	CASH VALUE EXEMPTION	BANKRUPTCY EXEMPTION	APPLICABLE CODE SECTION(S)
California	Death benefit proceeds are exempt to the extent reasonably necessary for support of debtor, spouse, and dependents of debtor.	Beneficiary's and insured's interest in cash value is protected from creditors up to \$12,200 (\$24,400 if debtor is married).	Federal bankruptcy exemptions are not available. State bankruptcy exemptions: (1) Exemptions available as in the non-bankruptcy context (see death benefit and cash value exemptions); or (2) Any unmatured life insurance contracts owned by debtor may be exempted. Debtor may protect up to \$13,675 of his or her aggregate interest in an accrued dividend or interest under, or loan value of, any unmatured life insurance contract owned by the debtor under which the insured is the debtor or a dependent of the debtor. The debtor may protect to the extent reasonably necessary for the support of the debtor and a dependent, his right to receive, or any property traceable to, a payment under a life insurance contract that insured the life of an individual of whom the debtor was a dependent on the date of the insured's death.	Cal. Code Civ. Proc. §§ 704.100, 703.130, 703.140 (b)(7), 703.140(b)(8), 703.140(b)(11)(c), and EJ-156.
Colorado	Death benefit proceeds payable to beneficiary (other than beneficiary's creditor(s) or estate of insured) are exempt from creditors of insured.	Interest up to \$100,000 of cash surrender value exempt from creditors of insured except where beneficiary is estate of insured.	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Colo. Rev. Stat. §§ 13-54-102(1)(I)(A), 13-54-106, and 13-54-107.

STATE NAME	DEATH BENEFIT EXEMPTION	CASH VALUE EXEMPTION	BANKRUPTCY EXEMPTION	APPLICABLE CODE SECTION(S)
Connecticut	Beneficiary's interest (other than insured) in death benefit proceeds protected from creditors of insured.	Interest of owner is exempt provided the insured is the owner or person upon whom the owner is dependent up to \$4,000 of accrued interest or dividend, or loan value.	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Conn. Gen. Stat. §§ 38a-453 and 52-352b(s).
Delaware	Beneficiary's interest in death benefit proceeds protected from all creditors if payable to someone other than the insured, owner, or their executors or administrators.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Del. Code Ann. Tit. 18 § 2725 and Tit. 10 §4914.
District of Columbia	Death benefit proceeds are exempt from the debts of the owner or insured if payable to someone other than the owner. Maximum exemption of \$200 per month for a beneficiary providing principal support of a family or \$60 per month for two months for a beneficiary not providing principal support of a family.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exempts cash value and death benefit proceeds if debtor was dependent of insured and proceeds are reasonably necessary for support.	D.C. Code Ann. §§ 15-503, 31-4716, and 15-501 (a)(11)(C).
Florida	Beneficiary's interest in death benefit proceeds protected from insured's creditors unless policy payable to insured, insured's estate, executors, administrators, or assigns.	Cash surrender value is exempt from all creditors.	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Fla. Stat. §§ 222.13(1), 222.14, and 222.20.

STATE NAME	DEATH BENEFIT EXEMPTION	CASH VALUE EXEMPTION	BANKRUPTCY EXEMPTION	APPLICABLE CODE SECTION(S)
Georgia	Beneficiary's interest in death benefit proceeds is exempt to extent proceeds are payable to someone other than insured, insured's estate, executors, administrators, or assigns.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exempts Owner's interest in unexpired policy (except credit life insurance) up to \$2,000 (provided insured is debtor or individual upon whom debtor dependent).	Ga. Code Ann. §§ 33-25-11, 33-27-7, 44-13-100(a)(9), 44-13-100(2)(E), 44-13-100(a)(8), and 44-13-100(a)(11)(C).
Hawaii	Death benefit proceeds payable to insured's spouse, child, parent, or other dependent are exempt from insured's creditors.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Haw. Rev. Stat. §§ 431 10-232 and 651-121.
Idaho	Death benefit proceeds protected from debts of owner if payable to someone other than the owner and from the debts of the beneficiary.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Idaho Code §§ 41-1833 and 11-609.
Illinois	Death benefit proceeds payable to insured's spouse, child, parent or other dependent is exempt from insured's creditors.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	735 Ill. Comp. Stat. §§ 5/12-1001 and 5/12-1201.
Indiana	Death benefits proceeds payable to spouse, child, or dependent relative of the insured are exempt from creditors.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Ind. Code §§ 27-1-12-14 and 34-55-10-1

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Iowa	Death benefit proceeds are exempt if beneficiary is spouse, child, or dependent; to the extent it does not exceed \$15,000.	Cash value exempted if payable to spouse, child, or dependent; however, the exemption is limited to \$10,000 if there were contributions made to increase the cash value within two years.	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Iowa Code §§ 627.6(6), 627.6(c), and 627.10.
Kansas	Death benefit proceeds are exempt from claims of all creditors unless bankruptcy is filed within one year of purchase of policy.	Consistent with Death Benefit Exemptions	11 U.S.C. 522(d)(10) is available in addition to state exemptions. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Kan. Stat. Ann. §§ 40-414, 60-2313 (a)(7) and 60-2312.
Kentucky	Beneficiary's interest in death benefit proceeds protected from all creditors if payable to someone other than the owner, insured, or their executor or administrator.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Ky. Rev. Stat. Ann. §§ 304.14-300, 427.170 and 427.150.
Louisiana	Beneficiary's interest in death benefit proceeds protected from all creditors. The exemption does not apply to debts secured by pledge or assignment of the policy.	Cash value exemptions are consistent with death benefit exemptions; however, it is limited to \$35,000 if policy is issued within 9 months.	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	La. Rev. Stat. Ann. §§ 22:647 and 13:3881.
Maine	Beneficiary's interest in death benefit proceeds protected from all creditors if payable to someone other than the owner, insured, or their executor or administrator.	Consistent with Death Benefit Exemption. Note: Owner's interest in unexpired policy (except credit life insurance) is exempt up to \$4,000 (provided insured is debtor or individual upon whom debtor dependent).	Federal bankruptcy exemptions in United States Code, Title 11, Section 522(b)(2)(A) and (B) are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	ME ST T. 24 § 2428 and ME ST T. 14 §§ 4426, 4422(10), 4422(11). See also ME Legis Serv. Rev. Report 2013 (2014), R.R. 2014.

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Maryland	Death benefit proceeds exempt if payable to the spouse, child, or dependent relative of the insured.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Md. Code Ann., Ins. §§ 16-111 and 11-504(b)(2).
Massachusetts	Beneficiary's interest in death benefit proceeds protected from creditors of owner if payable to a beneficiary other than the policy owner.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Mass. Gen. Laws ch. 175 § 125.
Michigan	Death benefit proceeds exempt from creditors if payable to someone other than owner, insured, or their executors or administrators.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Mich. Comp. Laws § 500.2207.
Minnesota	Death benefit proceeds are exempt from creditors if payable to someone other than owner or insured. Maximum \$46,000 of proceeds payable to a spouse or child is exempt from other creditors (increased by \$11,500 for each dependent of the spouse or child).	Consistent with Death Benefit Exemptions Note: Maximum \$9,200 interest in any accrued dividend or interest, or loan value exempt (provided insured is debtor or individual upon whom debtor dependent).	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Minn. Stat. §§ 61A.12, 550.37(10), and 550.37(23).
Mississippi	Death benefit proceeds protected from creditors of insured.	Cash surrender value protected from creditors of insured, however it is limited \$50,000 if premiums paid within twelve months of writ, attachment, garnishment, bankruptcy, etc.	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Miss. Code Ann. §§ 85-3-11 and 85-3-2.

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Missouri	Death benefit proceeds are exempt from debts of owner or beneficiary.	Consistent with Death Benefit Exemptions Note: Owner's interest in unmaturred policy (except credit life insurance) exempt up to \$150,000. Also, there is no exemption of the cash value if the policy was purchased within one year of the bankruptcy proceedings.	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context except for case value (See cash value exemption).	Mo. Rev. Stat. §§ 377.330, 513.427, and 513.430(1)(8).
Montana	Beneficiary's interest in death benefit proceeds are protected from creditors of owner, insured, or their executors or administrators if payable to someone other than the insured or owner.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State exempts up to \$4,500 in value of unmaturred life insurance contract owned by the judgment debtor.	Mont. Code Ann. §§ 33-15-511, and 25-13-609(4).
Nebraska	Death benefit proceeds exempt from insured's creditors (unless payable to estate of insured or owner); also exempt from beneficiary's creditors if beneficiary related by blood or marriage to insured.	Cash value is exempt up to \$100,000 from all creditors' claims except for cash value from premiums made within three years of bankruptcy.	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context except any cash value in policies initiated or increased through contributions made within three years prior to bankruptcy or within three years prior to entry against the individual of a money judgment which thereafter becomes final.	Neb. Rev. Stat. §§ 44-371(b)(i), 44-371(b)(ii), and 25-15,105.
Nevada	Beneficiary's interest in death benefit proceeds are protected from creditors of owner or insured if payable to someone other than the insured or owner.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exempts all cash value attributable to premiums not exceeding \$15,000 per year in the aggregate.	Nev. Rev. Stat. §§ 687B.260, 21.090(3), and 21.090(1)(k).
New Hampshire	Beneficiary's interest in death benefit proceeds protected from creditors of owner if payable to someone other than owner. It is also exempt if payable to married woman or the children of a married woman.	Consistent with Death Benefit Exemptions, but please note <i>In re Monahan</i> , 171 B.R. 710 (Bankr D N H.Y. 1994), which held that cash value is not exempt when purchased by the debtor insured for the benefit of their nondebtor children.	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	N.H. Rev. Stat. Ann. Sec. 408 1, 408:2 and 511:2 (XIX).

All information provided herein is for hypothetical purposes only and is subject to change. Nothing provided herein is a legal recommendation or opinion and a legal professional should be consulted for more information. We are not legal professionals so please consult your attorney on these matters and for the most accurate and up to date information.

STATE NAME	DEATH BENEFIT EXEMPTION	CASH VALUE EXEMPTION	BANKRUPTCY EXEMPTION	APPLICABLE CODE SECTION(S)
New Jersey	Beneficiary's interest in death benefit proceeds protected from all creditors provided beneficiary is not owner or insured.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	N.J. Stat. Ann. § 17B 24-6.
New Mexico	The proceeds of any life insurance are not subject to the debts of the deceased, except by special contract or arrangement, to be made in writing.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	N.M. Stat. Ann. §§ 42-10-3, 42-10-5, and 42-10-6.
New York	Beneficiary's interest in death benefit proceeds protected from all creditors provided beneficiary is not owner or insured. Owner's interest in death benefit proceeds of policy insuring another is exempt as against creditors of insured (and owner's own creditors if insured is owner's spouse).	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State exempts death benefit proceeds and cash value.	N.Y. Ins. Law § 3212 and N.Y. Debtor & Creditor Law § 283.
North Carolina	Beneficiary's interest in death benefit proceeds protected from creditors of owner or insured provided beneficiary is not owner or insured. Death benefit proceeds for the sole use and benefit of spouse, or children, or both, shall not be subject to the claims of creditors of the insured during his or her lifetime, whether or not the policy reserves to the insured during his or her lifetime any or all rights provided for by the policy and whether or not the policy proceeds are payable to the estate of the insured in the event the beneficiary or beneficiaries predecease the insured.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. If the effect of state's domiciliary restriction for a debtor renders the debtor without an eligible exemption, the debtor may elect to use the federal bankruptcy scheme pursuant to 11 U.S.C.A. Sec. 522(b)(3). State bankruptcy exemptions are the same as in the non-bankruptcy context.	N.C. Gen. Stat. §§ 58-58-95, 58-58-115, and IC-1601(f)

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North Dakota	Death benefit proceeds exempt when made payable to the deceased, to the personal representatives of the deceased, to the deceased's heirs, or to the deceased's estate are not subject to the debts of the decedent except by special contract (regardless whether beneficiary is designated by name or class).	Cash value payable to spouse, children, or any relative of the insured dependent, or likely to be dependent, upon the insured for support, is exempt absolutely from the claims of the insured's creditors.	Federal bankruptcy exemptions are not available. State exempts proceeds or cash surrender value up to \$100,000 per policy and \$200,000 aggregate for policies payable to spouse, children, or any dependent relative, and if the policy has been in effect for at least one year. Death benefit proceeds and cash value are not exempt if reasonably necessary for the domestic support of the resident/resident's dependents.	N.D. Cent. Code §§ 26.1-33-40, 26.1-33-36, 28-22-03.1(3), and 28-22-17.
Ohio	Death benefit proceeds protected from creditors of insured provided beneficiary is spouse, child or dependent, charity, creditor of insured, or a trustee of any of the above.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are consistent with the non-bankruptcy context.	Ohio Rev. Code Ann. §§ 3911.10, 2329.662(A)(6)(a), and 2329.66(A)(6)(b).
Oklahoma	Death benefit proceeds protected from all creditors.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State exempts death benefit proceeds and cash value.	Okla. Stat. Tit. 36 § 3631.1.
Oregon	Beneficiary's interest in death benefit proceeds protected from creditors of owner or insured provided beneficiary is not owner or insured.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Or. Rev. Stat. §§ 743.046 and 18.300.
Pennsylvania	Death benefit proceeds payable to spouse, child, or dependent relative of insured exempt from creditors of insured.	Consistent with Death Benefit Exemptions, however when the insured is also the beneficiary it is exempt up to \$100 per month.	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	42 Pa. Cons. Stat. §§ 8124(c)(4), 8124(c)(6), and 81249(c)(3).

STATE NAME	DEATH BENEFIT EXEMPTION	CASH VALUE EXEMPTION	BANKRUPTCY EXEMPTION	APPLICABLE CODE SECTION(S)
Rhode Island	Beneficiary's interest in death benefit proceeds protected from creditors of owner or insured provided beneficiary is not owner, insured, or their executors or administrators.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	R.I. Gen. Laws §§ 27-4-11, 27-4-12, and 9-26-4(11).
South Carolina	Beneficiary's interest in death benefit proceeds protected from creditors of insured provided death benefit proceeds are expressed to be for the primary benefit of the insured's spouse, child or dependent of insured except if owner/insured filed for bankruptcy within 2 years of purchasing policy.	Exempt if payable to insured's spouse, children, or dependents; however, there is a maximum \$4,000 exemption if debtor is insured or a dependent of the insured. Cash value may be protected from bankruptcy despite beneficiary being the debtor's spouse (In re Sims 421 B.R. 745, 748 (Bankr. D.S.C. 2010))	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	S.C. Code Ann. §§ 38-63-40 and 15-41-30(8).
South Dakota	Maximum \$20,000 exemption from all creditors if death benefit proceeds insured, spouse, or children.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	S.D. Codified Laws §§ 58-12-4, 43-45-6, and 43-31-30.
Tennessee	Death benefit proceeds payable to intestate insured's estate exempt from creditors of insured if policy acquired by insured or spouse. Death benefit proceeds payable to spouse, child or dependent relative of insured exempt from debts of insured.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Tenn. Code Ann. §§ 56-7-201, 56-7-203, and 26-2-112.
Texas	Death benefit proceeds exempt from debts of insured or beneficiary unless beneficiary pledged policy as security for debt or used for a child support lien.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Tex. Ins. Code §§ 1108.051, and 1108.053.
Utah	Exemption for death benefit proceeds if beneficiary is the spouse or child of the insured, as long as contract was owned by the debtor for continuous unexpired period of one year.	Cash values are exempt (excluding any payments made on the contract during previous year).	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Utah Code Ann. § 78B-5-505(xii)

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Vermont	Death benefit proceeds are exempt from debts of insured, owner, or beneficiary if payable to someone other than insured or owner.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	8 V.S.A. § 3706.
Virginia	Beneficiary's interest in death benefit proceeds protected from creditors of owner or insured, provided that beneficiary is not owner, insured or their executors or administrators.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Va. Code Ann. §§ Sec. 38.2-3122, 38.2-3123, and 34-3.1.
Washington	Beneficiary's interest in death benefit proceeds protected from all creditors if proceeds payable to someone other than owner or person effecting the insurance .	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Wash. Rev. Code §§ 48.18.410 and 48.23.300.
West Virginia	Beneficiary's interest in death benefit proceeds protected from creditors of owner or insured, provided that beneficiary is not owner, insured or their executors or administrators.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State allows debtor from the bankruptcy estate any unmeasured life insurance contract owned by the debtor, other than a credit life insurance contract.	W. Va. Code §§ 33-6-27 and 38-10-4.
Wisconsin	Death benefit proceeds payable to beneficiary who is a dependent of the insured are exempt from creditors of insured and beneficiary to the extent reasonably necessary for support of debtor and dependents.	Cash value of a policy on the life of the debtor, a dependent of the debtor, or a person for whom the debtor is a dependent, is exempt up to \$150,000 from all creditors' claims; however, exemption limited to \$4,000 if policies issued within 2 years.	Federal bankruptcy exemptions are available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Wis. Stat. §§ 815.18(3)(i) and 815.18(3)(f).
Wyoming	Beneficiary's interest in death benefit proceeds protected from creditors of owner, insured or beneficiary provided that beneficiary is not owner, insured or their executors or administrators.	Consistent with Death Benefit Exemptions	Federal bankruptcy exemptions are not available. State bankruptcy exemptions are the same as in the non-bankruptcy context.	Wyo. Stat. Ann. §§ 26-15-129 and 1-20-109.

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