

State Laws Related to the Cash Surrender Value of Life Insurance Policies and Exemptions from Claims of Creditors

State & Relevant Statutes	Summary
Alabama Ala. Code § 27-14-29	The lawful beneficiary shall be entitled to the life insurance policy's proceeds and avails (including cash surrender value) against the creditors of the person insured.
Arizona Ariz. Rev. Stat. § 20-1131(D) Ariz. Rev. Stat. § 33-1123(A)(6)	The cash surrender value of a life insurance policy shall be exempt from claims of all creditors if the policy has named as beneficiary the insured's spouse, child, parent, brother, sister, or any other dependent family member and been owned by the debtor for a continuous, unexpired period of two years.
Arkansas Ark. Const. art. 9, § 2 Ark. Code § 16-66-209	Up to \$500 of the cash surrender value of a life insurance policy shall be exempt from liability or seizure and shall not be subjected to the payment of any debt for the owner, insured, or beneficiary.
Colorado C.R.S. § 13-54-102(1)(I)(I)(A)	Up to \$100,000 of the cash value of life insurance policies that have been owned by a debtor for continuous, unexpired period of 48 months or more is exempt from levy and sale under writ of attachment or execution, except that there is no exemption for increases in cash value from extraordinary moneys contributed to a life insurance policy during the 48 months prior to the issuance of the writ of attachment or execution.
Florida Fla. Stat. § 222.14	The cash surrender values of life insurance policies shall not in any case be liable to attachment, garnishment, or legal process in favor of any of the insured's creditors.
Georgia Ga. Code Ann. § 33-25-11(c)	The cash surrender values of life insurance policies shall not in any case be liable to attachment, garnishment, or legal process in favor of any of the insured's creditors.
Idaho Idaho Code Ann. § 11-605(9)	The cash surrender value of a life insurance contract is exempt from attachment or levy, except the cash surrender value resulting from premiums paid into the contract within six months prior to filing a bankruptcy petition or the date of attachment or levy on execution.
Indiana Ind. Code § 27-1-12-14(e)	The proceeds and avails, including the cash surrender value of life insurance policies which name the spouse, children, or any relative dependent as beneficiary, shall be exempt from all liabilities from any debts of the insured person or their spouse.
Iowa Iowa Code § 627.6(6)	A debtor may hold exempt from execution the cash surrender value of a life insurance policy if the beneficiary of the policy is the individual's spouse, child, or dependent. This exemption shall not exceed \$10,000 for insurance acquired within two years of the date execution is issued or exemptions are claimed, and for additions to existing policies in excess of the amount necessary to fund the amount of face value coverage of the policy within the same time period.
Louisiana La. Rev. Stat. Ann. § 22:912(A)	The lawful beneficiary shall be entitled to the proceeds and avails, including the cash surrender value, of a life insurance policy against the creditors of the insured and any debt of the beneficiary existing at the time the proceeds or avails are made available. This exemption is limited to \$35,000 if the policy was issued within nine months of the issuance of such writ or the filing at bankruptcy.
Maryland Md. Code, Ins. Law § 16-111	The proceeds, including the cash surrender value, of a life insurance policy made for the benefit of the spouse, child, or dependent relative, are exempt from all claims of the creditors of the individual.
Mississippi Miss. Code Ann. § 85-3-11	All proceeds of a life insurance policy, including cash surrender values, shall inure to the beneficiaries free from all liability for the debts of the insured. This exemption shall not apply to the portion of the cash surrender value which exceeds \$50,000 as a result of payments made within 12 months of issuance of writ of seizure, attachment, garnishment, or other process, or the filing of bankruptcy proceeding.
New Mexico N.M. Stat. § 42-10-3	The cash surrender value of any life insurance policy shall in no case be liable to attachment, garnishment or legal process in favor of any creditor of the insured.
New York N.Y. Ins. Law § 3212(b)	The beneficiary shall be entitled to the proceeds and avails, including cash surrender values, of a life insurance policy against the creditors of the insured.
North Dakota N.D. Cent. Code § 26.1-33-36	The surrender value of any life insurance policy that would be payable to the spouse, children, or any relative dependent, or likely to be dependent, is exempt absolutely from the claims of creditors of the insured.
Oregon Or. Rev. Stat. § 743.046(3)	A life insurance policy with a cash surrender value, payable to a beneficiary other than the estate of the insured, is exempt from execution and from all demands under bankruptcy.
South Carolina S.C. Code Ann. § 38-63-40	Life insurance policy proceeds and cash surrender values that are expressed for the primary benefit of the insured's spouse, children, or dependents are exempt from creditors of the insured. The cash surrender value amount that may be exempted is limited if the insured has filed a bankruptcy petition within two years of purchasing the insurance policy.
Wyoming Wyo. Stat. § 26-15-129	The lawful beneficiary, other than the insured, are entitled to the life insurance proceeds, including cash surrender value, against the creditors of the insured.