

Senate Bill 331

By: Senator Henson of the 41st

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to  
2 insurance generally, so as to exempt certain insurance payments from claims of creditors of  
3 the insured; to provide for related matters; to repeal conflicting laws; and for other purposes.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

5 style="text-align:center">**SECTION 1.**

6 Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to insurance  
7 generally, is amended by adding a new Code Section 33-24-6.2 to read as follows:

8 "33-24-6.2.

9 (a) Proceeds and cash surrender values of life insurance payable to a beneficiary other than  
10 the insured's estate in which such proceeds and cash surrender values are expressed to be  
11 for the primary benefit of the insured's spouse, children, or dependents are exempt from  
12 creditors of the insured whether or not the right to change the beneficiary is reserved and  
13 whether or not the policy is payable to the insured if the beneficiary dies first except that:

14 (1) If the insured has filed a petition in bankruptcy within two years of purchasing the  
15 insurance, such proceeds of cash surrenders shall not be exempt;

16 (2) The amount of premiums paid and interest thereon with intent to defraud creditors  
17 shall not be exempt; and

18 (3) A creditor possessing a valid assignment from the policy owner may recover from  
19 either the cash surrender value of the proceeds of the life insurance policy or the amount  
20 secured by the assignment with interest.

21 (b) Proceeds of life insurance or annuity contracts, by agreement, may be held by the  
22 insurer except from claims of the beneficiary's creditors.

23 (c) Proceeds of group life insurance contracts are exempt from claims of the creditors of  
24 the insured.

25 (d) Benefits of accidental and disability contracts are exempt from claims of the creditors  
26 of the insured."

- 1 **SECTION 2.**
- 2 All laws and parts of laws in conflict with this Act are repealed.