

Using Life Insurance for What Is Really Protected

BY KEITH A. HERMAN¹



Keith A. Herman
Greensfelder, Hemker
& Gale, PC
St. Louis

Due to an increased awareness of the value of asset protection planning, many clients are asking about *simple* steps they can take to protect assets from future creditors. Purchasing property that is exempt from creditors is a simple asset protection tool.

The perfect asset protection tool would be an asset that is exempt from creditors in an unlimited amount – where the only limitations on its use are the fraudulent transfer rules.² Many asset protection tools only work if the client is willing to give up a degree of control.³ Control is not an issue with an exempt asset, as the client can own it outright. In some states, life insurance is protected in an unlimited amount.⁴ As explained in detail herein, in Missouri only \$150,000 of cash value is protected in bankruptcy, and a 1998 case casts doubt on whether the cash value is protected in an unlimited amount in non-bankruptcy proceedings.⁵

This article analyzes the Missouri laws governing life insurance as exempt property. The connection to bankruptcy can get confusing. In Missouri, the same property that is exempt from state law debt collection procedures is also excluded from a federal bankruptcy estate.⁶ Missouri has opted out of the federal bankruptcy exemptions – Missouri debtors are not allowed to claim the exemptions provided under the Bankruptcy Code.⁷ Instead, Missouri debtors can claim the exemptions provided under Missouri law.⁸ However, Missouri's primary exemption laws that cover life insurance

– §§ 513.430(7) - 513.430(8), RSMo – are nearly identical to the Bankruptcy Code's exemption laws covering life insurance. Further, due to this similarity, Missouri courts have looked to the legislative history of the Bankruptcy Code to find the meaning behind Missouri's similar laws. Therefore, this article will explain in detail the Bankruptcy Code exemptions covering life insurance – not because they are applicable to Missouri debtors, but because the Missouri laws have the same meaning.

There are some universal exceptions to the Missouri laws described below. First, no state law exempt property is effective against an IRS tax lien or a lien for restitution in favor of the United States for violating a federal law.⁹ Second, Missouri exempt property is also not protected against a former spouse's claim for maintenance or child support; maintenance and child support claims override all exemption statutes.¹⁰

Choice of Law

Bankruptcy. The Bankruptcy Code contains a specific choice of law provision. In bankruptcy, the debtor is allowed to use the exemptions provided under the law of the state

in which the debtor's domicile has been located for the 730 days immediately preceding the date of the filing of the petition or if the debtor's domicile has not been located at a single State for such 730-day period, the place in which the debtor's

or Asset Protection – ed?

domicile was located for 180 days immediately preceding the 730-day period or for a longer portion of such 180-day period than in any other place.¹¹

If this rule results in a debtor being “ineligible for any exemption, the debtor” may use the federal bankruptcy exemptions under § 522(d) of the Bankruptcy Code.¹²

State Law Debt Collection Actions.

With respect to non-bankruptcy actions in a Missouri court, the Missouri exemption laws only apply to Missouri residents.¹³ However, Missouri courts, on principles of comity, apply the exemption laws of the state of the debtor’s residence if the general policies of the two states are the same.¹⁴ A court will not refuse to apply the exemption laws of the debtor’s residence simply because the amount of the exemption is different in the states.¹⁵

If a Missouri debtor is sued in a non-Missouri court, then the state choice of law rule of the forum court will determine whose exemption law applies. Under § 132 of the RESTATEMENT (SECOND) OF CONFLICT OF LAWS, a court is to apply the law of its own state unless another state has the dominant interest in the question of exemption due to the debtor and creditor being domiciled in such other state. In that event, the local law of the state where the debtor and creditor are domiciled will be applied.

Life Insurance Background

There are two primary types of life insurance – term and permanent. Term life insurance expires at the end of the term, which is generally from one to 30 years. The death benefit is payable only if the insured dies during the term. Term insurance only provides a death benefit; there is no cash value.

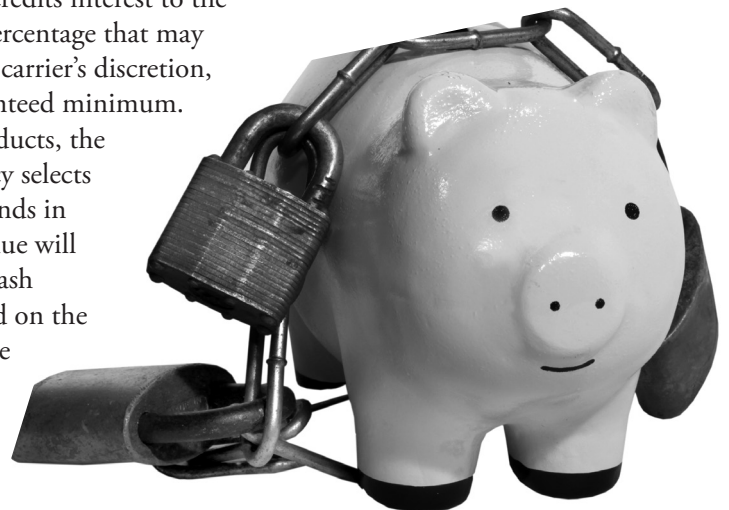
Permanent (whole and universal) life insurance lasts for the insured’s entire lifetime as long as the required premiums are paid. Permanent life insurance includes an investment element as a cash value account. With permanent insurance, a portion of each premium is allocated to the cost of the insurance protection (which provides the death benefit), a portion to commissions and/or other expenses, and a portion is an investment that increases the cash value.

There are two types of cash value accounts. With general accounts, the insurance carrier credits interest to the account at a set percentage that may be adjusted at the carrier’s discretion, subject to a guaranteed minimum. With variable products, the owner of the policy selects specific mutual funds in which the cash value will be invested. The cash value adjusts based on the performance of the funds.

The owner can access the cash value in

two ways: (1) through policy loans and (2) by surrendering all, or a portion, of the policy back to the carrier (a partial surrender is sometimes called a “withdrawal”). The amount the owner can borrow is referred to as the “loan value” and the amount the owner will receive upon a complete surrender of the policy is the “cash surrender value.” The cash surrender value is typically less than the loan value due to the costs involved in surrendering the policy. The carrier keeps a portion of the cash value to make up for the carrier’s lost profits from the early termination of the policy.

To access the loan value, the insurance carrier writes the owner a check and the owner agrees to pay the loan back to the carrier with interest as specified in the insurance contract. Technically, the owner is receiving a loan from the insurance carrier that is secured by the cash value. The owner can pay the interest annually or it can be accrued. The portion of the loan balance



(principal and accrued interest) that is not repaid before the insured dies reduces the death benefit dollar for dollar. Insurance carriers usually allow loans up to 90 percent of the cash value.

To access the cash surrender value, the owner surrenders a portion of the policy back to the insurance carrier (which reduces the cash value and the death benefit dollar for dollar) and the insurance carrier writes the owner a check. If the entire policy is surrendered, then the insurance protection is lost. When the insured dies, any remaining cash value is lost (although the owner will have benefited from the cash value during the insured's life through reduced insurance protection costs).

Permanent insurance can also provide a dividend to policy owners, based on the insurance carrier's earnings, expenses, and mortality experience. Dividends are not guaranteed; they are paid at the discretion of the insurance carrier. The owner of the insurance policy typically has four options for receiving the dividends. The dividend may be (1) paid to the owner of the policy in cash, (2) used to reduce future premium payments, (3) added to the cash value, or (4) used to purchase additional insurance (through a term rider or paid-up additions).

To understand how the exemption laws apply to life insurance, think about the insurance contract from the perspective of a creditor. How can a creditor receive an economic benefit from a debtor's insurance policy? Unless a specific law applies to the contrary, a creditor steps into the shoes of a debtor and can exercise all of the rights of the debtor. Ignoring the life insurance exemption laws explained below, a creditor could (1) surrender the policy for its cash value, (2) take a loan against the policy, (3)

sell the policy to a third party, or (4) change the beneficiary to the creditor and wait for the insured to die. Next, we will determine which of these four rights is protected under Missouri law.

Protecting the Insurance Element - (Section 513.430(7), RSMo). The two primary laws that protect life insurance from creditors in Missouri¹⁶ are based on the federal bankruptcy exemptions found at 11 U.S.C. §§ 522(d)(7) - 11 U.S.C. §§ 522(d)(8) (references herein to "522" refer to 11 U.S.C. § 522). The federal Bankruptcy Code provides that the following are exempt from the bankruptcy estate:

7) Any unmaturing life insurance contract owned by the debtor, other than a credit life insurance contract.

(8) The debtor's aggregate interest, not to exceed in value \$8,000 less any amount of property of the estate transferred in the manner specified in section 542(d) of this title, in any accrued dividend or interest under, or loan value of, any unmaturing life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

As explained above, these bankruptcy exemptions are not available to Missouri residents (as Missouri has opted out of the federal bankruptcy exemptions), but they shed light on the meaning of the very similar Missouri statutes.¹⁷

Requirements for Protection.

There are three requirements to qualify for protection under § 513.430(7), RSMo (references herein to "§ 513.430" refer to § 513.430, RSMo): (1) the debtor

must own the life insurance policy, (2) the policy must be "unmatured," and (3) the policy must not be a "credit life insurance contract." The identities of the insured and beneficiary are irrelevant under § 513.430(7). The owner of the policy is reflected by the insurance carrier's records. The next two requirements are explained below.

Unmatured Life Insurance Contracts. Only "unmatured" life insurance contracts are protected under § 513.430(7) and (8). A matured contract is one in which the policy has been terminated by surrendering it for the cash value or the insured has died and the proceeds have been paid to the beneficiary.¹⁸

Bankruptcy exemptions are determined as of the date of the filing of the bankruptcy petition. Therefore, if an insured dies after the petition is filed, the proceeds should remain exempt.¹⁹ However, a 1990 Missouri case came to a different conclusion.²⁰ In another Missouri case, a husband and wife filed a joint Chapter 13 bankruptcy petition.²¹ The husband subsequently died and the wife converted to a Chapter 7 proceeding. The policy proceeds payable to the wife as beneficiary were not exempt, as the policy was "matured" as of the date wife converted to Chapter 7.

Credit Life Insurance. Credit life insurance contracts are not protected under § 513.430(7). A "credit life insurance contract" is taken out to pay off the remainder of outstanding loans in the event of death. The debtor is the insured and creditors are the beneficiaries. The creditor's insurable interest is limited to the amount of the debt owed. If the life insurance proceeds exceed the debt, the creditor holds the excess as trustee for the estate of the insured or for a beneficiary named by the debtor.²²

What is Protected. After determining that a policy meets the requirements of § 513.430(7), one must then determine what rights of the owner/debtor under the life insurance contract are protected. The most recent case to analyze the meaning of § 513.430(7) found little authority applying or interpreting it and looked to the legislative history of the corresponding Bankruptcy Code provisions (§§ 522(d)(7) & (8)) to help explain their meaning.²³ The legislative history provides:²⁴

Paragraph (7) exempts a life insurance contract, other than a credit life insurance contract, owned by the debtor. This paragraph refers to the life insurance contract itself. It does not encompass any other rights under the contract, such as the right to borrow out the loan value. Because of this provision, the trustee may not surrender a life insurance contract, which remains property of the debtor if he chooses the Federal exemptions. Paragraph (8) permits the debtor to exempt up to [\$8,000] in loan value in a life insurance policy owned by the debtor under which the debtor or an individual of whom the debtor is a dependent is the insured. The exemption provided by this paragraph and paragraph (7) will also include the debtor's rights in a group insurance certificate under which the insured is an individual of whom the debtor is a dependent (assuming the debtor has rights in the policy that could be exempted) or the debtor. A trustee is authorized to collect the entire loan value on every life insurance

policy owned by the debtor as property of the estate. First, however, the debtor will choose which policy or policies under which the loan value will be exempted. The [\$8,000] figure is reduced by the amount of any automatic premium loan authorized after the date of the filing of the petition under section 542(d).

According to this, § 522(d)(7) is only meant to protect the life insurance contract itself.²⁵ It appears Congress was intending that the life insurance protection would be maintained for public policy reasons. Missouri cases have found that the policy behind a similar statute (§ 377.330, RSMo, which is explained below) is “to preserve life insurance in force in the State as a matter of public interest and general welfare.”²⁶

Consider a husband in poor health who may own life insurance on his life that names his minor children as the beneficiaries. If a creditor could take away this insurance protection – by surrendering the entire policy for its cash surrender value, selling the policy, or naming the creditor as the beneficiary – then the husband may never be able to obtain more life insurance due to his preexisting health conditions. Sections 513.430(7) and 522(d)(7) seem to protect these rights that are necessary to keep the life insurance protection in place for the benefit of the beneficiary named by the owner. The legislative history quoted above also makes clear that a creditor cannot completely *surrender* a life insurance contract based on this protection. The right to *borrow* against the loan value of the policy is handled separately in § 513.430(8) and § 522(d)(8).

To summarize, pursuant to § 513.430(7), a creditor cannot attach

Court Bonds *online!*

THE
BAR PLAN
SURETY AND FIDELITY COMPANY

Expedient **Bonds**. Excellent **Service**.

Communicate directly with a Bonds Specialist

24-hour turnaround time.

Service is our top priority.

Dedicated to the legal communities we serve.

“easy to deal with”
“impressive staff”
“diligent and responsive”

Broad Range of Bonds Available:

Probate

Court Bonds (Appeal, Replevin, Injunction, etc.)

Notary Bonds

courtbonds.thebarplan.com

or call our underwriters at

877-553-6376

from 8:00 a.m. to 5:00 p.m.

a life insurance policy owner's right to change the beneficiary, cash in the policy (surrender it),²⁷ or sell it to a third party.

Protecting the Loan Value - (Section 513.430(8), RSMo)

As explained above, § 513.430(7) protects the life insurance component, but § 513.430(8) protects the loan value of the policy.²⁸

Requirements for Protection.

To qualify for protection under § 513.430(8), there are three requirements: (1) the debtor must own the life insurance policy, (2) the debtor must be the insured or the debtor must be a dependent of the insured, and (3) the policy must be “unmatured” (see explanation of “unmatured” above). If a policy meets the requirements of § 513.430(8), one must then determine what rights of the owner/debtor under the life insurance contract are protected.

What is Protected. Section 513.430(8) protects the “accrued dividend or interest under, or loan value of” an unmaturing life insurance policy. This simply means the loan value of the policy. When § 522(d)(8) was enacted by Congress, variable life insurance policies had not been introduced. The only way the cash value of a policy could increase was by (1) additional premium payments above the cost of the life insurance protection, (2) the insurance carrier crediting *interest* to the cash value account, or (3) the insurance carrier declaring *dividends* that the owner added to the cash value account.

In the mid-1980s, variable permanent life insurance products became available that allowed the owner to invest the cash value in specific funds. With a variable policy, the cash value adjusts according to the appreciation or depreciation of the investments under the policy (the funds in which the debtor invested the cash value) and the interest or dividends paid by those investments. Therefore, § 522(d)(8) and § 513.430(8) apply to any loan value of the policy, irrespective of how that loan value came about. As described above, the cash surrender value and loan value will be similar amounts, but a creditor cannot take a total surrender of the policy due to § 513.430(7).

Bankruptcy Limitations. In a federal bankruptcy proceeding, only \$150,000 of loan value can be protected. However, if the policy is purchased within one year of bankruptcy, then none of the value is protected in bankruptcy. The \$150,000 amount is reduced by

any amount of property [the debtor] transferred by the life insurance company or fraternal benefit society to itself in good faith if such

transfer is to pay a premium or to carry out a nonforfeiture insurance option and is required to be so transferred automatically under a life insurance contract with such company or society that was entered into before commencement of [bankruptcy].²⁹

This seems to cover automatic premium payments from the cash value.

In re Martin. Only one Missouri case, *In re Martin*, has analyzed § 513.430(8), and it found very little prior authority in Missouri on its meaning.³⁰ The court ultimately applied a meaning to § 513.430(7) and (8) that is consistent with the legislative history to § 522(d)(7) and (8) discussed above. The court allowed the bankruptcy trustee to access the loan values of all of debtor’s life insurance policies, except to the extent of \$5,000 (the loan value then protected under the Bankruptcy Code).³¹

The court focused a lot of attention on the term “unmaturing life insurance contract” in § 513.430(8) and found “that the right to access the loan value of the policies is a ripened or matured right . . . [and] Debtor should not be permitted to deprive his creditors of the loan value of his policies by refusing to utilize his matured right to access that value.”³² The meaning of the language quoted above is unclear and casts doubt on whether a future Missouri court would allow the entire loan value to escape creditor attachment in a non-bankruptcy action (as there is no dollar limitation on what is protected in a non-bankruptcy action).

The next two laws discussed below, §§ 377.330 and 377.090, RSMo, only apply to very specific types of

life insurance – stipulated premium insurance and assessment plan insurance. As these policies are rare, these sections will be of little use.

Stipulated Premium and Assessment Plan Insurance - (Sections 377.330, 377.090, RSMo)

Section 377.330, RSMo provides that “[t]he money or other benefit, charity, relief or aid to be paid, provided or rendered” by a stipulated premium insurance corporation is protected from creditors. A stipulated premium insurance company must maintain an emergency fund. If the fund is exhausted, the “Department of Insurance must require the company to notify all of its policyholders to pay an extra premium, really an ‘assessment,’ sufficient to bring the emergency fund up to the proper level.”³³ No new stipulated premium plan life insurance companies could be organized after August 29, 1959.³⁴ “[T]here are no domestic stipulated premium plan life insurance companies [currently] doing business in Missouri.”³⁵

Section 377.090, RSMo, provides that “[t]he money or other benefit, charity, relief or aid to be paid, provided or rendered” by an assessment plan insurance corporation is protected from creditors. With assessment plan insurance, the insurance benefit depends on the collection of an assessment from those holding similar contracts. Upon the death of a contract holder, “the other members holding similar contracts are assessed an amount necessary to pay the death benefit for the person who died.”³⁶ Insurance companies can no longer be organized on the assessment plan in Missouri after September 1, 1953.³⁷ “Currently, there are only two domestic assessment plan life insurance companies still doing business in Missouri.”³⁸

Life Insurance Proceeds Necessary For Support - (Section 513.430(10)(e), RSMo)

Under § 513.430(10)(e), a debtor's right to receive any payment under a "death benefit plan" or similar contract on account of death is exempt if necessary for support. Pursuant to a 2001 Missouri case, these terms do not include life insurance policies, and, therefore, § 513.430(10)(e) does not protect life insurance policies or the proceeds thereof.³⁹

The federal bankruptcy exemptions contain a specific provision applicable to the proceeds of a life insurance policy.⁴⁰ Under § 522(d)(11), "property that is traceable to ... a payment under a life contract that insured the life of an individual of whom the debtor was a dependent" is exempt if necessary for support. However, this provision was not mirrored in the Missouri exemptions.⁴¹ Section 522(d)(11) protects a *beneficiary's* interest in a life insurance policy, whereas § 522(d)(7)/(8) and § 513.430(7)/(8) protect the *owner's* interest in the policy.

Conclusion

There are major limitations to using life insurance as an asset protection tool. Only \$150,000 of the cash value is protected in bankruptcy. In a non-bankruptcy proceeding, the *Martin* case casts doubt on whether the entire loan value is protected. Placing life insurance in an irrevocable trust or a domestic asset protection trust may be a safer option,⁴² but these strategies may require the client to give up a degree of control over the insurance by having someone else serve as trustee. Lastly, before advising a client to purchase life insurance for asset protection, it is important to understand the costs involved and the unique risks of life insurance, including the risk of the insurance carrier defaulting.

Endnotes

1 Keith A. Herman is an officer in the Trusts & Estates Practice Group at Greensfelder, Hemker & Gale, P.C. in St. Louis, and is a Fellow of the American College of Trust and Estate Counsel (ACTEC). Mr. Herman graduated from the University of Missouri-Columbia School of Law in 1999.

2 See §§ 428.005, RSMo et seq; Jacob Stein, *Asset Protection May Risk Fraudulent Transfer Violations, Estate Planning*, 37 ESTATE PLANNING, August 2010, at 12; *Borin v. John Hancock Mut. Life Ins. Co.*, 157 N.E.2d 673 (Ill. App. Ct. 1959).

3 For example, with a Missouri self-settled

asset protection trust, the grantor of the trust should not serve as the trustee. See Keith A. Herman, *Asset Protection Under the New Missouri Uniform Trust Code*, 62 J. MO. BAR 196 (2006).

4 See 215 ILL. COMP. STAT. 5/238(a); 735 ILL. COMP. STAT. 5/12-1001(f); 735 ILL. COMP. STAT. 5/12-1001(h)(3).

5 See *Protecting the Loan Value* section of this article.

6 Section 513.427, RSMo (2000).

7 *Id.* However, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, Pub. L. No. 109-9, 119 Stat. 23 (2005) added § 522(b)(3), which allows additional federal exemptions even if the debtor's state of domicile opted out. 11 U.S.C. § 522(b)(1).

8 *Id.*

9 *Thompson v. Adams*, 685 F. Supp. 842 (M.D. Fla. 1988). See I.R.C. § 6334 for property that is exempt from IRS liens. For federal restitution claims, see 18 U.S.C. §§ 3663A and 3613.

10 *Pugh v. St. Louis Police Relief Ass'n*, 179 S.W.2d 927 (Mo. App. E.D. 1944); *Davis v. Thompson*, 619 S.W.2d 754 (Mo. App. W.D. 1981); *Willis v. Willis*, 750 S.W.2d 567 (Mo. App. E.D. 1988); *Patton v. Patton*, 573 S.W.2d 71 (Mo. App. S.D. 1978).

11 11 U.S.C. § 522(b)(3)(A). Title 11 of the United States Code is also known as the "Bankruptcy Code."

12 11 U.S.C. § 522(b)(3).

13 *Beneficial Fin. Co. v. Yellow Transit Freight Lines*, 450 S.W.2d 222, 2227 (Mo. App. W.D. 1969).

14 *Id.*

15 *Id.*

16 Sections 513.430(7) – 513.430 (8), RSMo. Supp. 2011.

17 Section 513.430.1, RSMo, Supp. 2011 provides:



iDemandPro Services is preparing your company for the future in Cloud Computing. Manage all of your IT infrastructure tools in one virtualized place. **iDemandPro Services** not only gives you powerful remote tools but also allows you to work from anywhere and on any device. Our catalog of diversified packages is designed to provide effective and affordable business solutions. No matter what your business we can help you maximize your potential. Our consultants are standing by to provide a free demonstration today!

Don't be left behind, call **314.423.3900** or go online **www.sextant-technology.com** to set up your appointment

The following property shall be exempt from attachment and execution to the extent of any person's interest therein:

...

(7) Any one or more unmaturred life insurance contracts owned by such person, other than a credit life insurance contract.

18 *In re Martin*, 224 B.R. 749 (Bankr. E.D. Mo 1998); *Reinecke v. Comm'r of Internal Revenue*, 220 F.2d 406 (8th Cir. 1955) (annuity was surrendered for its cash value); *In re Pettigrew*, 115 B.R. 214 (Bankr. E.D. Mo. 1990) (Section 377.330 did not apply, as the insured died within 180 days of the bankruptcy petition and therefore the policy was "matured").

19 *In re Walters*, 14 B.R. 92 (Bankr. S.D. W. Va. 1981), *aff'd*, 724 F.2d 1081 (4th Cir. 1984); 4-522 COLLIER ON BANKRUPTCY, ¶522.09 (15th ed. 2008).

20 *In re Pettigrew*, 115 B.R. 214 (Bankr. E.D. Mo. 1990).

21 *In re Williams*, 82 B.R. 518 (Bankr. W.D. Mo. 1988).

22 See § 385.040.2, RSMo 2000.

23 *In re Martin*, 224 B.R. 749 (Bankr. E.D. Mo 1998).

24 11 U.S.C. § 522. H. Rept. No. 95-595 to accompany H.R. 8200, 95th Cong., 1st Sess. (1977).

25 Also see, *In re Martin*, 224 B.R. 749 (Bankr. E.D. Mo 1998); *In re Poynor*, 68 B.R. 919 (Bankr. N.D. Tex. 1987).

26 *In re Martin*, 224 B.R. 749 (Bankr. E.D. Mo. 1998).

27 *In re Poynor*, 68 B.R. 919 (Bankr. N.D. Tex. 1987).

28 Sections 513.430.1, RSMo Supp. 2011

provides:

The following property shall be exempt from attachment and execution to the extent of any person's interest therein:

...

8) The amount of any accrued dividend or interest under, or loan value of, any one or more unmaturred life insurance contracts owned by such person under which the insured is such person or an individual of whom such person is a dependent; provided, however, that if proceedings under Title 11 of the United States Code are commenced by or against such person, the amount exempt in such proceedings shall not exceed in value one hundred fifty thousand dollars in the aggregate less any amount of property of such person transferred by the life insurance company or fraternal benefit society to itself in good faith if such transfer is to pay a premium or to carry out a non-forfeiture insurance option and is required to be so transferred automatically under a life insurance contract with such company or society that was entered into before commencement of such proceedings. No amount of any accrued dividend or interest under, or loan value of, any such life insurance contracts shall be exempt from any claim for child support. Notwithstanding anything to the contrary, no such amount shall be exempt in such proceedings under any such insurance contract which was purchased by such person within one

year prior to the commencement of such proceedings;

29 Section 513.430(8), RSMo Supp. 2011.

30 *In re Martin*, 224 B.R. 749 (Bankr. E.D. Mo 1998).

31 It is not clear from the opinion how the bankruptcy trustee was going to access the cash value. Did the trustee take a loan against the policy that will accrue interest? From discussions with bankruptcy attorneys, it appears bankruptcy trustees do not take loans against life insurance policies. Instead, the trustee takes a partial surrender of the policy.

32 *In re Martin*, 224 B.R. at 755.

33 I MO. INSURANCE PRACTICE § 3.7 (MoBar 5th ed. 2004, 2010).

34 *Id.*

35 MO. INSURANCE PRACTICE § 3.7 (MoBar Supp. 2010).

36 I MO. INSURANCE PRACTICE § 3.8 (MoBar 5th ed. 2004, 2010).

37 Section 377.020(4), RSMo 2000.

38 I MO. INSURANCE PRACTICE § 3.8 (MoBar 5th ed. 2004, 2010).

39 *In re Selfe*, 260 B.R. 463 (Bankr. E.D. Mo 2001).

40 Under 11 U.S.C. § 522(d)(11), "... property that is traceable to - ... a payment under a life contract that insured the life of an individual of whom the debtor was a dependent" is exempt "to the extent reasonably necessary for the support of the debtor and any dependent of the debtor." 11 U.S.C. § 522(d)(11)(C).

41 *In re Selfe*, 260 B.R. 463 (Bankr. E.D. Mo 2001).

42 See Keith A. Herman, *Asset Protection Under the New Missouri Uniform Trust Code*, 62 J. MoBar 196 (2006).

Trial Lawyer

Do you want to make a difference in people's lives?

Do you want to get out of the law library and into a courtroom?

Do you want to handle your own client caseload from preliminary hearing to trial?

The Missouri State Public Defender System Trial Division can offer you those opportunities. We are accepting applications for current and anticipated positions in our district offices throughout the State of Missouri. Attorney is responsible for providing representation to indigent clients in all phases and types of criminal matters. Must be a member of The Missouri Bar. Excellent state benefit package and training opportunities. Interested candidates should submit job application for consideration. Application can be obtained at any Public Defender office, via website at www.publicdefender.mo.gov or by calling (573)882-9855.

-Equal Opportunity Employer-