

FILED MAR 7 '01

SENATE FILE 382  
BY FIEGEN

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act to increase the limits on the value of certain exempt  
2 property.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 382  
JUDICIARY

1 Section 1. Section 627.6, subsections 5, 6, 9, and 10,  
2 Code 2001, are amended to read as follows:

3 5. The debtor's interest in household furnishings,  
4 household goods, and appliances held primarily for the  
5 personal, family, or household use of the debtor or a  
6 dependent of the debtor, not to exceed in value ~~two~~ four  
7 thousand dollars in the aggregate.

8 6. The interest of an individual in any accrued dividend  
9 or interest, loan or cash surrender value of, or any other  
10 interest in a life insurance policy owned by the individual if  
11 the beneficiary of the policy is the individual's spouse,  
12 child, or dependent. However, the amount of the exemption  
13 shall not exceed ~~ten~~ fifteen thousand dollars in the aggregate  
14 of any interest or value in insurance acquired within two  
15 years of the date execution is issued or exemptions are  
16 claimed, or for additions within the same time period to a  
17 prior existing policy which additions are in excess of the  
18 amount necessary to fund the amount of face value coverage of  
19 the policies for the two-year period. For purposes of this  
20 paragraph, acquisitions shall not include such interest in new  
21 policies used to replace prior policies to the extent of any  
22 accrued dividend or interest, loan or cash surrender value of,  
23 or any other interest in the prior policies at the time of  
24 their cancellation.

25 In the absence of a written agreement or assignment to the  
26 contrary, upon the death of the insured any benefit payable to  
27 the spouse, child, or dependent of the individual under a life  
28 insurance policy shall inure to the separate use of the  
29 beneficiary independently of the insured's creditors.

30 A benefit or indemnity paid under an accident, health, or  
31 disability insurance policy is exempt to the insured or in  
32 case of the insured's death to the spouse, child, or dependent  
33 of the insured, from the insured's debts.

34 In case of an insured's death the avails of all matured  
35 policies of life, accident, health, or disability insurance

1 payable to the surviving spouse, child, or dependent are  
2 exempt from liability for all debts of the beneficiary  
3 contracted prior to death of the insured, but the amount thus  
4 exempted shall not exceed fifteen thousand dollars in the  
5 aggregate.

6 9. Any combination of the following, not to exceed a value  
7 of ~~five-thousand~~ seven thousand five hundred dollars in the  
8 aggregate:

9 a. Musical instruments, not including radios, television  
10 sets, or record or tape playing machines, held primarily for  
11 the personal, family, or household use of the debtor or a  
12 dependent of the debtor.

13 b. One motor vehicle.

14 c. In the event of a bankruptcy proceeding, the debtor's  
15 interest in accrued wages and in state and federal tax refunds  
16 as of the date of filing of the petition in bankruptcy, not to  
17 exceed one thousand dollars in the aggregate. This exemption  
18 is in addition to the limitations contained in sections 642.21  
19 and 537.5105.

20 10. If the debtor is engaged in any profession or  
21 occupation other than farming, the proper implements,  
22 professional books, or tools of the trade of the debtor or a  
23 dependent of the debtor, not to exceed in value ~~ten~~ fifteen  
24 thousand dollars in the aggregate.

25 EXPLANATION

26 This bill increases the dollar values applicable to certain  
27 exempt property. The bill provides that a debtor may hold  
28 exempt from execution household furnishings, household goods,  
29 and appliances, held primarily for the personal, family, or  
30 household use of the debtor or a dependent of the debtor, not  
31 to exceed \$4,000 in the aggregate; an interest in a life  
32 insurance policy not to exceed \$15,000 in the aggregate; any  
33 combination of musical instruments, a motor vehicle, and the  
34 debtor's interest in accrued wages and in state and federal  
35 tax refunds not to exceed \$7,500 in the aggregate; and any

1 professional books or tools of the trade of the debtor or a  
2 dependent of the debtor, not to exceed \$15,000 in the  
3 aggregate.

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