

Assigning Life insurance to Fund Burial Contracts

When a life insurance policy is irrevocably assigned to partially or totally fund a revocable or irrevocable pre-need burial contract, the cash surrender value (CSV) is not considered an available resource.

A life insurance policy is irrevocably assigned when the following conditions are met:

1. There is a valid pre-need burial contract; **AND**

2. There is:
 - a. verification from the funeral home that documents funding of the contract was made by the irrevocable assignment of the claimant's life insurance policy; **OR**
 - b. an agreement with the insurance company that either transfers the ownership of the policy to the funeral home OR names the funeral home as the irrevocable beneficiary of the policy.

If these conditions are met, the cash surrender value (CSV) of the life insurance policy is excluded from consideration as an available resource as of the month the participant signs the documents to fund the pre-need burial contract with their life insurance policy.

If the life insurance policy does not meet the above criteria, the CSV is an available resource.

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