

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

### Life Insurance (Continued)

Procedure
<p><b><u>Treatment of Accelerated Life Insurance Payments Under SSI and Liberalized Policy</u></b></p> <p>If an individual has a life insurance policy that allows them to receive their death benefit while living and the individual meets the requirements set by the insurance company to receive such proceeds, they are <u>not</u> required to file for the proceeds.</p> <p>If the individual does file and receives the benefits, the payment will be considered as follows:</p> <ul style="list-style-type: none"><li>• <b>Month of receipt</b> – consider as income</li><li>• <b>Following Month</b> - Any money remaining the following month is considered a resource.</li></ul>

### 302.06.02E **LIFE INSURANCE ENDOWMENT POLICIES**

A life insurance policy's primary function is to pay out upon the death of the insured. A life insurance endowment policy does not do that; rather it serves as an investment medium with a maturity date or date certain payout, i.e., 5 years from purchase, at which time a benefit is paid to a designated beneficiary. The possible death of the "insured" individual before the maturity date is a secondary consideration. These policies should be treated as annuities.