#### Department of Veterans Affairs M29-1, Part 1, Chapter 11

**Veterans Benefits Administration May 20, 2019**

**Washington, DC 20420**

#### Key Changes

|  |  |
| --- | --- |
| Changes Included in This Revision | The table below describes the changes included in this revision of Veterans Benefits Insurance Manual M29-1, Part 1, Chapter 11.  ***Notes***:   * **M29-1, Part 1, Chapter 11** has been rewritten in its entirety for the purpose of improving clarity and readability. Any substantive changes are itemized in the table below. * Minor editorial changes have also been made to * improve clarity and readability * add references * update incorrect or obsolete references * update obsolete terminology, where appropriate * reorganize/relocate content within **M29-1, Part 1, Chapter 11** so that it flows more logically * reassign alphabetical designations to individual blocks, where necessary, to account for new and/or deleted blocks within a topic * update the labels of individual blocks and the titles of sections and topics to more accurately reflect their content, and * bring the document into conformance with M29-1 standards. |

|  |  |
| --- | --- |
| Reason(s) for Notable Change | Citation |
| Clarifies that if an endowment policy matures with a value of $2500 or less, the insured will be issued a lump sum payment; if the endowment policy is worth $2500 or more, the insured will be notified of payment, but may also opt to request an installment payment option | Subchapter 11.01 |
| Explains that in the case of an incompetent insured, payment of an endowment policy will be made to insured’s legal guardian, power of attorney, or federal fiduciary; if none are appointed, Insurance will request appointment of a federal fiduciary through a VA Regional Office | Subchapter 11.02 |
| Clarifies that in the case of an incompetent insured, if there exists evidence that a federal fiduciary has been appointed, notwithstanding the existence of a guardian or power of attorney, then the fiduciary will be paid the matured endowment (ME); however, if appointment is more than six months old, verification must be obtained from the VA Regional Office | Subchapter 11.02 |
| Clarifies that the default option for payment of a ME is lump sum | Subchapter 11.02 |
| Clarifies that if the insured wishes to receive payment of an ME in other than lump sum, he/she must submit a written request to VA | Subchapter 11.04 |
| Clarifies that with ME installment payments, various types of indebtedness will be deducted from the proceeds; such as statutory liens or lien interest (required by law), also administrative liens and interest (due to administrative error) | Subchapter 11.05 |
| Adds note explaining insurance proceeds/payments can only be seized to pay a debt owed to VA or a federal income tax debt (subject to IRS tax levy) | Subchapter 11.05 |
| Eliminates pure insurance risk (PUR) credits as a type of credit includable in the net amount payable with the initial ME payment as no longer applicable to the insurance programs | Subchapter 11.06 |
| Clarifies the procedures for how an ME payment will be made in the case of an incompetent insured; also explains that if the insured is on Supervised Direct Pay, payment will be made to the insured at his address of record | Subchapter 11.07 |

|  |  |
| --- | --- |
| **Reason(s) for Change** | **Citation** |
| Subchapter 11.09 eliminated as the topic is covered under a previous section (Subchapter 11.08) | Subchapter 11.09 |
| Subchapter 11.10 eliminated as no longer applicable to the insurance programs | Subchapter 11.10 |
| Explains that “do not mature” (DNM) procedures do not apply to MEs | New Subchapter 11.11 |

|  |  |
| --- | --- |
| Rescissions | None |

|  |  |
| --- | --- |
| Authority | By Direction of the Under Secretary for Benefits |

|  |  |
| --- | --- |
| Signature | Vincent E. Markey, Director  Insurance Service |

|  |  |
| --- | --- |
| Distribution | LOCAL REPRODUCTION AUTHORIZED |