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**Chapter 35. Third Party Requests**

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**35.01 GENERAL**

1. Policy changes, transactions, or requests for specific policy information may only be authorized by the policyholder, VA recognized fiduciary of the policyholder, or an agent appointed by the policyholder with a Power of Attorney or legal guardianship that includes these actions. VA Insurance employees are authorized to confirm premium amounts to representatives of service organizations when there is no power of attorney or authorization from the insured. Employees will not release any information, other than confirming premium amounts to a VSO as noted above, to a third party without proper written authorization.
2. Information which is general to the life insurance program, such as historical or current loan interest rates, available plans of insurance and their premiums rates and how cash value/loan value is earned, etc., may be given to any third party.

1. Premium and loan payments may be made by any third party. However, neither premium nor loan status will be released to anyone other than the policyholder and those agents in 35.01a. However, any refund of these payments or any cash surrender value would be paid only to the policyholder or VA recognized fiduciary of the policyholder.
2. Where a proper authorization is of record and the third party has requested status or general information not requiring specific action on the part of the insured, such status or information will be furnished directly to the third party without communicating with the insured. If action is required by the insured in order to maintain or protect his rights under the policy, the insured will be notified directly, and copies of the correspondence will be sent to the authorized third party.
3. Information will be released to a third party only as requested by such authorized person. The fact that a VA Form 29-4337 or its equivalent may be on file does not mean that the third party will be notified automatically concerning transactions between the VA and the insured from time to time. The third party will be given information to which he or she is entitled only upon his or her request in writing.
4. When the authorized third-party requests that all correspondence or completed actions be forwarded to him or her, the request will generally be complied with; however, when it is not practical to do so, he or she will be advised. For example, when a computer-generated policy is sent to the address in the master record, the third party will be advised as to the action taken and the reason VA is unable to comply with his or her request.

**35.02 VA RECOGNIZED FIDUCIARY OR LEGAL GUARDIAN**

1. A VA recognized fiduciary (for purposes of the life insurance program) is any third party authorized by VA to receive benefits on behalf of a Veteran.
2. A legal guardian is any third party authorized by a court to handle the affairs on behalf of a Veteran.
3. VA recognized fiduciaries and legal guardians may authorize the following actions on behalf of a policyholder:
   1. Obtain any specific policy information, including the name of the current beneficiary (NOTE: This does not include naming of beneficiaries.)

* 1. Apply for insurance, conversion, change of plan or reinstatement
  2. Withdraw dividends held on deposit/credit
  3. Select or change the dividend option
  4. Obtain a policy loan
  5. Surrender a policy
  6. Authorize a deduction from VA benefits or an allotment from military retired pay
  7. Receive payment of the proceeds on a matured policy
  8. Select or change the method and/or mode of premium payment
  9. Apply for waiver of premiums, and select or change settlement options

See 38 CFR 8.32

1. VA recognized fiduciaries or legal guardians of beneficiaries of a deceased policyholder may authorize the following actions on behalf of a beneficiary that would otherwise have authority to take the action:
2. Assign the proceeds of a policy under the limitations of 38 U.S.C. 1918. Specifically, assignment may only be made if:
3. all other beneficiaries, including contingent beneficiaries agree to the assignment, and
4. if the assignment is to a widow, widower, child, father, mother, grandfather, grandmother, brother, or sister of the insured.
5. Change the settlement option.
6. When a VA fiduciary requests any of the above-mentioned actions, VA recognized fiduciary status must be verified to document through VA systems that the third party is currently receiving VA benefits on behalf of the insured.

1. When a VA fiduciary requests an action on a policy, it may not be made until a current VA Form 27-555 (within 6 months) or certification available on VA systems (within 6 months) is verified.
2. Any time a requested action is delayed while pending recognition of fiduciary authority, the third party should be notified of the delay.
3. When a Form 27-555 is received, the insurance record should be updated. It is considered current authority for any subsequent third-party requests within six months of the date on the 27-555.
4. Any payments of $350 or more issued to a VA recognized fiduciary on behalf of an insured is reported to the Veterans Service Center Manager of the Regional Office of jurisdiction.
5. When a legal guardian requests any of the above-mentioned actions, evidence of appointment by a court of jurisdiction must be of record or provided with the request.

**35.03 POWER OF ATTORNEY**

1. Power of Attorney authority can originate only from the policyholder, while the policyholder is legally competent for insurance purposes. The document which grants Power of Attorney must be signed by the policyholder.
2. If the Power of Attorney limits the authority to specific actions which can be performed, the requested action should be among those specified. If the Power of Attorney grants a general authority to handle all affairs, any requested actions (i.e. loans, cash surrenders), except a change of beneficiary may be performed.

**For example**: A Power of Attorney worded “….any transactions, including but not limited to…”, would be a general Power of Attorney, whereas a Power of Attorney that simply listed potential actions without the words “any” or “all”, would be a specific Power of Attorney.

1. A healthcare Power of Attorney is not acceptable to take action on a policy. A healthcare Power of Attorney only authorizes action on healthcare decisions.
2. Unless otherwise stated, the Power of Attorney remains in effect until it is revoked by the policyholder. All documents granting or revoking Power of Attorney should be imaged to the insurance record.
3. When a policyholder becomes incompetent, the Power of Attorney is automatically revoked, unless the document granting the Power of Attorney specifically states it will continue in the event the policyholder becomes incompetent.

**For example**: A Power of Attorney worded “…is durable…” or “… will remain in effect upon incapacity or disability…” would continue upon the insured becoming disabled. A Power of Attorney worded “…will take effect upon disability or incapacity of principal…” would take effect upon the insured’s date of incapacity or disability. A Power of attorney that states “…expire upon the principal’s incapacitation or becoming disabled…”…will expire upon the insured becoming incapacitated or disabled.

1. All questionable cases involving a power of attorney should be submitted to the Assistant Director, Insurance Program Management Division.