



2009 SENATE BILL 39

February 5, 2009 - Introduced by Senators KREITLOW, ERPENBACH, TAYLOR, LASSA, PLALE, LEHMAN, WIRCH, VINEHOUT, SCHULTZ, S. FITZGERALD, LEIBHAM and LAZICH, cosponsored by Representatives MILROY, GARTHWAITE, HEBL, A. OTT, SINICKI, FIELDS, TOWNSEND, RICHARDS, SMITH, GUNDERSON, TOLES, BERCEAU, PETERSEN, BIES and STRACHOTA. Referred to Committee on Veterans and Military Affairs, Biotechnology, and Financial Institutions.

1 **AN ACT to amend** 45.40 (1) (a), 45.40 (2) (c) and 45.40 (3m) of the statutes;
2 **relating to:** cash value of life insurance regarding eligibility for the veterans
3 assistance program.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Veterans Affairs (DVA) may provide assistance payments to veterans who have suffered a loss of income due to illness, injury, or natural disaster. DVA may not provide the assistance if the veteran has other assets or income available to meet basic subsistence needs or if the veteran is eligible to receive aid from other sources. Currently, DVA may also provide health care aid to a veteran who does not have sufficient income and assets to obtain the health care. Current law allows the unremarried spouse and dependent children of a deceased veteran to receive assistance and health care if they do not have sufficient income and assets. DVA is required under current law to promulgate rules specifying the eligibility criteria and income limits for these assistance programs. The current rule limits eligibility to applicants whose liquid assets, including bank accounts, stocks, funds in retirement accounts, and cash value of life insurance, do not exceed \$1,000.

This bill exempts the cash value of life insurance from being considered when determining if a veteran or his or her unremarried spouse and dependent children are eligible for an assistance payment or health care aid.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 45.40 (1) (a) of the statutes is amended to read:

2 45.40 (1) (a) The department may provide subsistence payments to a veteran
3 on a month-to-month basis or for a 3-month period. The department may pay
4 subsistence aid for a 3-month period if the veteran will be incapacitated for more
5 than 3 months and if earned or unearned income or aid from sources other than those
6 listed in the application will not be available in the 3-month period. The department
7 may provide subsistence payments only to a veteran who has suffered a loss of
8 income due to illness, injury, or natural disaster. The department may grant
9 subsistence aid under this subsection to a veteran whose loss of income is the result
10 of abuse of alcohol or other drugs only if the veteran is participating in an alcohol and
11 other drug abuse treatment program that is approved by the department. No
12 payment may be made under this subsection if the veteran has other assets or income
13 available to meet basic subsistence needs or if the veteran is eligible to receive aid
14 from other sources to meet those needs. When determining the assets available to
15 the veteran, the department may not include the cash surrender value of any life
16 insurance.

17 **SECTION 2.** 45.40 (2) (c) of the statutes is amended to read:

18 45.40 (2) (c) The department may not provide health care aid under this
19 subsection unless the aid recipient's health care provider agrees to accept, as full
20 payment for the health care provided, the amount of the payment, the amount of the
21 recipient's health insurance or other 3rd-party payments, if any, and the amount

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1 that the department determines the veteran is capable of paying. The department
2 may not pay health care aid under this subsection if the liquid assets of the veteran
3 are in excess of \$1,000. When determining the liquid assets of the veteran, the
4 department may not include the cash surrender value of any life insurance.

5 **SECTION 3.** 45.40 (3m) of the statutes is amended to read:

6 45.40 **(3m)** RULES. The department shall promulgate rules establishing
7 eligibility criteria and household income limits for payments under subs. (1), (2), and
8 (2m). The department may not include in the rules establishing eligibility criteria
9 and household income limits any consideration of the cash surrender value of any life
10 insurance that is available to the veteran's household.

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(END)