

P-2211 Resource Determination (Continued)

C. Personal Property (WAM 2263, 2264)

Evaluate items to determine if they should be counted or excluded as a resource.

If an item has been used to produce income in the past but is not currently being used for that purpose, consider it a resource only if the client has no intention of using it to produce income in the future. Accept the household's estimate of the value of these items unless it will affect eligibility, in which case an appraisal by an appropriate dealer is required.

Document the reasons for your decision to exclude or count in the case record.

Example: An applicant owns a small lawn tractor which is used to maintain the family's property. Consider it an item "essential to day-to-day living" and exclude as a resource. If the lawn tractor is used as part of a business, or in some way produces income for the household, it would also be excluded as resource, as it is income-producing.

D. Life Insurance (WAM 2263.5)

Count the cash value of life insurance (including accumulated interest and dividends) owned by members of the assistance group, minus any portion used as collateral for a loan, as a resource. Verify the portion used as collateral for a loan at each review, as it decreases with each payment made on the loan, and thereby increases the actual cash value. If the client cannot provide current verification such as a recent statement of interest and dividends or a current copy of the policy which gives this information, use the DSW 216L (Life Insurance Information Release) as the verification form. Have the client sign the top of the form and send it to the insurance company with a DSW 216ll (Life Insurance Cover Letter) and a postage paid return envelope. (Retain a copy for the file until a response is received.)

If there is no response from the insurance company, use the best available estimate of the cash value and do not delay the eligibility determination.

Note: Term insurance has no cash value. See P-2122 B for life insurance definitions.

If it appears that only a few more payments on the loan may affect the household's eligibility, shorten the review period to coincide with the payment that is expected to put the household over the resource maximum.

Example: The Jones family has \$2,000 (cash value) worth of life insurance when they apply for ANFC benefits. Two years ago Mr. Jones borrowed \$1,500 against the cash value. However, he has already repaid \$600 on the loan and has an outstanding balance of \$900. Compute his cash value resource as follows:

Cash value:	\$2,000.00
Less loan commitment:	<u>− 900.00</u>
	\$1,100.00
Interest, dividends	<u>+ 50.00</u>
Total cash surrender value	\$ 1,150.00

