**Abbit Directed Escrow Trust**

The Abbit Directed Escrow Trust is a vehicle by which funeral homes can assist an individual in assigning certain existing life insurance policies to prearrange for funeral or cemetery goods and services, for the purposes of complying with MDHHS policy related to life insurance funded funeral goods and services and their treatment for long term Medicaid qualification. Here are the instructions to utilize the program:

**Meeting with client:**

* Life insurance policy’s current death benefit may **not exceed $11,160.00 before May 31, 2021, or $11,280 after June 1, 2021.**
* More than one policy may be assigned, if the total value of ***death benefits*** on all policies does not exceed this cap.
* The insurance policy should have a living named beneficiary that is not the funeral provider. If there is not a named beneficiary, or the current named beneficiary is deceased, the policy owner should contact the insurance company to add or change the named beneficiary before completing the assignment to the Abbit Directed Escrow Trust. This beneficiary cannot be changed following assignment to the Abbit Directed Escrow Trust.
* **Policy owner and family must select funeral or cemetery services and merchandise totaling the entire value of the death benefit(s) being assigned.** The selections should be itemized in the contract for these services and merchandise between the policy owner and the funeral provider (“Prefunded Funeral Agreement”).
* Policy owner and funeral home execute a Revocable Assignment of Death Benefit Proceeds form (available from Abbit). The funeral provider designated may be changed if desired in the future.
* Policy owner and funeral home execute an Irrevocable Transfer of Ownership form (available from Abbit). This transfer cannot be revoked or undone in the future.

**SEND TO Abbit Directed Escrow Trust**

* **Top two copies of Revocable Assignment of Death Benefit Proceeds**. The insurance company will return a copy with its signature accepting the assignment. The first time a policy is assigned for each insurance company, the insurer will need to obtain approval of the Revocable Assignment and the Funeral Contract via a SERFF filing with the Michigan Department of Insurance.
* **Top copy of Irrevocable Transfer of Ownership**.
* The Prefunded Funeral Agreement itemizing goods and services.
* The insurance policy (the original or a true copy)
* A check in the amount of $85 per insurance policy made payable to **Abbit Management Corp.**

**FOR THE POLICY OWNER TO TAKE TO DHHS**

* Copy of the Accepted Irrevocable Transfer of Ownership.
* Copy of the Prefunded Funeral Agreement selecting goods and services.

**AT THE TIME OF NEED, MAIL TO ABBIT**

* The named beneficiary should first obtain the appropriate claim forms from the insurance company. Please mail these documents.
	+ An Authorization of Death Benefits with a Certified Death Certificate (for each insurance policy)
	+ An at-need Statement of Funeral Good Services Selected executed by the named beneficiary and the funeral home. ***Your claim to the insurance company should only total your final funeral bill of merchandise and services actually provided.***
	+ Any claim documents from the insurance company executed by the named beneficiary.

*Abbit Management Corp., their successors and assigns, make no warranty, representation or guaranty of approval by MDHHS of any prepaid funeral planning relating to qualification for long term care benefits. MDHHS policies are subject to MDHHS’s interpretation and subject to change.*