

109TH CONGRESS
1ST SESSION

S. 1235

To amend chapters 19 and 37 of title 38, United States Code, to extend the availability of \$400,000 in coverage under the servicemembers' life insurance and veterans' group life insurance programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 14, 2005

Mr. CRAIG introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend chapters 19 and 37 of title 38, United States Code, to extend the availability of \$400,000 in coverage under the servicemembers' life insurance and veterans' group life insurance programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veterans’ Benefits Im-
5 provement Act of 2005”.

1 **SEC. 2. GROUP LIFE INSURANCE.**

2 (a) SERVICEMEMBERS' GROUP LIFE INSURANCE.—

3 Section 1967 of title 38, United States Code, as in effect
4 on October 1, 2005, is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (2), by adding at the end
7 the following:

8 “(C) With respect to a policy of insurance covering
9 an insured member, the Secretary of Defense shall make
10 a good-faith effort to notify the spouse of a member if
11 the member elects, at any time, to—

12 “(i) reduce amounts of insurance coverage of an
13 insured member; or

14 “(ii) name a beneficiary other than the insured
15 member's spouse.

16 “(D) The failure of the Secretary of Defense to pro-
17 vide timely notification under subparagraph (C) shall not
18 affect the validity of an election by the member.

19 “(E) If a servicemember marries or remarries after
20 making an election under subparagraph (C), the Secretary
21 of Defense is not required to notify the spouse of such
22 election. Elections made after marriage or remarriage are
23 subject to the notice requirement under subparagraph
24 (C).”; and

25 (B) in paragraph (3)—

1 (i) in subparagraph (A), by striking
 2 clause (i) and inserting the following:

3 “(i) In the case of a member, \$400,000.”; and

4 (ii) in subparagraph (B), by striking
 5 “member or spouse” and inserting “mem-
 6 ber, be evenly divisible by \$50,000 and, in
 7 the case of a member’s spouse”; and

8 (2) in subsection (d), by striking “\$250,000”
 9 and inserting “\$400,000”.

10 (b) DURATION OF COVERAGE.—Section 1968(a) of
 11 title 38, United States Code, is amended—

12 (1) in paragraph (1)(A), by striking “one year”
 13 and inserting “2 years”; and

14 (2) in paragraph (4), by striking “one year”
 15 and inserting “2 years”.

16 (c) VETERANS’ GROUP LIFE INSURANCE.—Section
 17 1977(a) of title 38, United States Code, as in effect on
 18 October 1, 2005, is amended by striking “\$250,000” each
 19 place it appears and inserting “\$400,000”.

20 **SEC. 3. ADJUSTABLE RATE MORTGAGES.**

21 Section 3707(c)(4) of title 38, United States Code,
 22 is amended by striking “1 percentage point” and inserting
 23 “such percentage as the Secretary may prescribe”.

1 **SEC. 4. EFFECTIVE DATE.**

2 The amendments made by this Act shall take effect
3 on October 1, 2005, immediately after the execution of
4 section 1012(i) of Public Law 109–13.

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