

Union Calendar No. 360

117TH CONGRESS
2^D SESSION

H. R. 8260

[Report No. 117-463]

To amend title 38, United States Code, to shorten the timeframe for designation of benefits under Department of Veterans Affairs life insurance programs, to improve the treatment of undisbursed life insurance benefits by the Department of Veterans Affairs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 2022

Mr. PAPPAS (for himself, Ms. MACE, Mr. SUOZZI, Mr. FITZPATRICK, Mr. GRIJALVA, Mr. LAWSON of Florida, Mr. KHANNA, Ms. SCANLON, Ms. NEWMAN, Mr. COSTA, Mr. CAWTHORN, Mr. GARAMENDI, Miss GONZÁLEZ-COLÓN, Mr. MRVAN, Ms. TITUS, Ms. BOURDEAUX, Ms. STRICKLAND, Mr. C. SCOTT FRANKLIN of Florida, Ms. KUSTER, Mr. RUTHERFORD, Mrs. HAYES, Mrs. KIM of California, Mr. TRONE, Mr. SAN NICOLAS, Mr. SOTO, Mrs. CHERFILUS-McCORMICK, Mr. BUCK, Mr. HUDSON, Mr. GARBARINO, and Mr. BISHOP of Georgia) introduced the following bill; which was referred to the Committee on Veterans' Affairs

SEPTEMBER 13, 2022

Additional sponsor: Mrs. RADEWAGEN

SEPTEMBER 13, 2022

Reported from the Committee on Veterans' Affairs; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend title 38, United States Code, to shorten the time-frame for designation of benefits under Department of Veterans Affairs life insurance programs, to improve the treatment of undisbursed life insurance benefits by the Department of Veterans Affairs, 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 “Faster Payments to
5 Veterans’ Survivors Act of 2022”.

6 **SEC. 2. TIMEFRAME FOR DESIGNATION OF ALTERNATE**
7 **BENEFICIARIES AND PAYMENT OF BENEFITS**
8 **UNDER DEPARTMENT OF VETERANS AFFAIRS**
9 **LIFE INSURANCE PROGRAMS.**

10 (a) NATIONAL SERVICE LIFE INSURANCE.—Section
11 1917(f)(1) of title 38, United States Code, is amended—

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

14 (2) in subparagraph (B), by striking “four”
15 and inserting “two”.

16 (b) UNITED STATES GOVERNMENT LIFE INSUR-
17 ANCE.—Section 1952(c)(1) of such title is amended—

18 (1) in subparagraph (A), by striking “two
19 years” and inserting “one year”; and

20 (2) in subparagraph (B), by striking “four”
21 and inserting “two”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply with respect to the death of an
24 insured person occurring on or after the date that is two
25 years before the date of the enactment of this Act.

1 **SEC. 3. BENEFICIARY DESIGNATION PROCESS UNDER DE-**
2 **PARTMENT OF VETERANS AFFAIRS LIFE IN-**
3 **SURANCE PROGRAMS.**

4 (a) NSLI.—Section 1917 of title 38, United States
5 Code, is amended by striking subsection (a) and inserting
6 the following:

7 “(a)(1) A person who enrolls in insurance maturing
8 on or after August 1, 1946, may designate a beneficiary
9 of the insurance policy. The insured shall, subject to regu-
10 lations, at all times have the right to change the bene-
11 ficiary or beneficiaries of such insurance without the con-
12 sent of such beneficiary or beneficiaries.

13 “(2) If a person enrolled in insurance maturing on
14 or after August 1, 1946, does not designate a beneficiary
15 under paragraph (1) before the veteran dies, or if a des-
16 ignated beneficiary predeceases the veteran, the Secretary
17 shall determine the beneficiary in the following order:

18 “(A) The surviving spouse of the insured per-
19 son.

20 “(B) The children of the insured person and de-
21 scendants of deceased children by representation.

22 “(C) The parents of the insured person or the
23 survivors of the parents.

24 “(D) The duly appointed executor or adminis-
25 trator of the estate of the insured person.

1 “(E) Other next of kin of the insured person
2 entitled under the laws of domicile of the insured
3 person at the time of the death of the insured per-
4 son.”.

5 (b) USGLI.—

6 (1) IN GENERAL.—Section 1949 of such title is
7 amended to read as follows:

8 **“§ 1949. Beneficiaries**

9 “(a) DESIGNATION.—A person who enrolls in United
10 States Government life insurance may designate a bene-
11 ficiary of the insurance policy. Subject to regulations, the
12 insured person shall at all times have the right to change
13 the beneficiary or beneficiaries of a United States Govern-
14 ment life insurance policy without the consent of such ben-
15 eficiary or beneficiaries.

16 “(b) DETERMINATION IN CASES OF NON-DESIGNA-
17 TION.—If a person enrolled in United States Government
18 life insurance does not designate a beneficiary under sub-
19 section (a) before the insured person dies, or if a des-
20 ignated beneficiary predeceases the insured person, the
21 Secretary shall determine the beneficiary in the following
22 order:

23 “(1) The surviving spouse of the insured per-
24 son.

1 “(2) The children of the insured person and de-
2 scendants of deceased children by representation.

3 “(3) The parents of the insured person or the
4 survivors of the parents.

5 “(4) The duly appointed executor or adminis-
6 trator of the estate of the insured person.

7 “(5) Other next of kin of the insured person en-
8 titled under the laws of domicile of the insured per-
9 son at the time of the death of the insured person.”.

10 (2) CLERICAL AMENDMENT.—The table of sec-
11 tions at the beginning of chapter 19 of such title is
12 amended by striking the item relating to section
13 1949 and inserting the following new item:

“1949. Beneficiaries.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply with respect to the death of an
16 insured person occurring on or after the date that is two
17 years before the date of the enactment of this Act.

18 **SEC. 4. DEPARTMENT OF VETERANS AFFAIRS IMPROVE-**
19 **MENT OF TREATMENT OF UNDISBURSED**
20 **LIFE INSURANCE BENEFITS.**

21 (a) IMPROVEMENT OF PROCESSES.—The Secretary
22 of Veterans Affairs shall improve the processes and proce-
23 dures of the Department of Veterans Affairs with respect
24 to identifying, locating, and paying hard-to-find bene-

1 ficiaries of life insurance policies issued under chapter 19
2 of title 38, United States Code, including by—

3 (1) improving the search tools available on the
4 website of the Department;

5 (2) conducting outreach to veterans, veterans
6 service organizations, and the general public with re-
7 spect to such search tools;

8 (3) improving the processes for searching for
9 information relating to potential recipients through
10 internal Department sources and sources available
11 through other Federal agencies, State government
12 agencies, and non-government entities; and

13 (4) ensuring the Department has sufficient
14 dedicated staff whose primary responsibilities are
15 identifying, locating, and paying hard-to-find bene-
16 ficiaries, with the goal of disbursing by not later
17 than two years after the date of the enactment of
18 this Act, all funds that, as of the date of the enact-
19 ment of this Act, are owed to a beneficiary of a life
20 insurance policy issued under chapter 19 of title 38,
21 United States Code.

22 (b) SENSE OF CONGRESS.—It is the sense of Con-
23 gress that the Secretary of Veterans Affairs should work
24 with interagency partners to determine the types of
25 records, reports, and other materials that may be required

1 to identify, locate, and disburse undisbursed life insurance
2 benefits to hard-to-find beneficiaries.

3 (c) REPORT.—Not later than 180 days after the date
4 of the enactment of this Act, the Secretary shall submit
5 to the Committees on Veterans’ Affairs of the Senate and
6 House of Representatives a report on the progress of the
7 Secretary in carrying out this section.

8 (d) UNDISBURSED FUNDS DEFINED.—The term
9 “undisbursed life insurance benefits”—

10 (1) means any amount of money that is owed
11 to a beneficiary of a life insurance policy issued
12 under chapter 19 of title 38, United States Code,
13 and that has not been disbursed for a period of two
14 years or longer; and

15 (2) does not include any amount of money
16 that—

17 (A) has not been disbursed due to a con-
18 tested claim; or

19 (B) is in dispute by two or more parties
20 over who is the entitled beneficiary.

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