

**EXAMINING VA BENEFITS:
PENSION AND FIDUCIARY, AND
VA LIFE INSURANCE OPTIONS**

HEARING
BEFORE THE
SUBCOMMITTEE ON DISABILITY
ASSISTANCE AND MEMORIAL AFFAIRS
OF THE
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EXAMINING VA BENEFITS: PENSION AND FIDUCIARY, AND VA LIFE INSURANCE OPTIONS

TUESDAY, APRIL 21, 2026

SUBCOMMITTEE ON DISABILITY ASSISTANCE &
MEMORIAL AFFAIRS,
COMMITTEE ON VETERANS' AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:15 p.m., in room 360, Cannon House Office Building, Hon. Morgan Luttrell (chairman of the subcommittee) presiding.

Present: Representatives Luttrell, Self, and McGarvey.

OPENING STATEMENT OF MORGAN LUTTRELL, CHAIRMAN

Mr. LUTTRELL. The subcommittee will come to order. Without objection, the chair may declare a recess at any time.

Good afternoon. I want to thank our witnesses for being here today. Thank you both.

Today, we are taking a closer look at how the U.S. Department of Veterans Affairs (VA) administers several of the most important benefits programs. VA's Pension, Fiduciary, and Insurance programs provide critical support for many veterans and their families. Often our veterans and or their families seek to assist—seek the assistance of the benefits during a financial and challenging times.

Pension is a need-based benefit. It is meant to make life more affordable and provide a baseline level of financial support for wartime veterans and surviving spouses who may not have other means. For some, this is what keeps the lights on for veterans and their families. That means the eligibility process needs to be clear, consistent, and work that the—and work that way as it was intended. This is not a small population we are actually talking about. It is in the millions. For the current benefit this year—for current benefits this year, the maximum net worth limit for Pensions eligibility is \$163,699. That threshold determines whether many low-income wartime veterans and survivors can access this support.

We will also be looking at the Fiduciary program. This is one of the most serious responsibilities the VA has. When a veteran cannot manage their own financial affairs, the VA must step in and appoint someone else to do that in their behalf. That requires a high level of trust. When that trust is broken, whether through

misuse, fraud, or lack of oversight, the consequences are very real. When we are talking about veterans who are already in a vulnerable position, the VA must absolutely get this correct. That includes how fiduciaries are selected, how they are monitored, and how the VA responds when something goes wrong.

I also want to acknowledge the Department's recent work related to second amendment considerations, including steps taken to revisit how certain beneficiaries' information is handled and shared across agencies. Given the subcommittee's engagement on this issue, we will continue to monitor VA actions closely and ensure that veterans' rights are protected across the benefits delivery system.

At the end of the day, veterans accessing these benefits they have—the veterans accessing the benefits they have earned should not come on the expense of their constitutional freedoms. That is absolutely not a tradeoff. We want to make sure VA is getting this right and that the changes are implemented clearly and transparently to the veterans they impact. This is an area where oversight matters, and the committee intends to stay engaged as the Department moves forward.

Finally, we will examine the VA's Life Insurance programs. These insurance—these insurance products are meant to provide financial stability for veterans and their families who, through their military service, may not be able to acquire life insurance in the private market. These programs operate on a real—a very real scale. In 2023 alone, Servicemembers' Group Life Insurance (SGLI) covered more than 2.2 million service members. Family Servicemembers' Group Life Insurance covered roughly 2.5 million spouses and dependent children. Veterans' Group Life Insurance (VGLI) covered more than 451,000 individuals.

We want to understand how these programs are being administered, how veterans are navigating their options, and whether VA is doing enough to help families make information—informed decisions, excuse me. We will also examine who is administering these benefits and if they are providing the right level of value and service to veterans and the taxpayers. At the end of the day, that comes down to a simple question: is VA delivering these benefits in a way that is clear, accountable, and centered on the veteran? If the system is too complicated, too slow, or not properly overseen, the people who feel the first—feel that first are obviously the veterans and their families, and that is not acceptable.

I look forward to hearing from our witnesses today. With that, I yield to the Ranking Member.

OPENING STATEMENT OF MORGAN MCGARVEY, RANKING MEMBER

Mr. MCGARVEY. Thank you, Mr. Chairman, and absolutely share your thoughts on that about making sure we are putting the veterans from front and center in everything we do. Thanks for being here. For—we need—we need to do this. This is one we have got to examine, the VA's Insurance, Pension, and Fiduciary programs.

Right now, the VA's Insurance program provides more than \$1.25 trillion in coverage to more than 5.1 million beneficiaries. That is enormous. Despite the size and importance of these pro-

grams, Congress has not really taken a close look at them in quite some time. I am glad we are doing it today.

I think that on this subcommittee, you are going to find we do generally good work and we work together to make sure that we are doing exactly what you have heard both of us say, putting the veteran at the heart of what we do. We try to conduct real oversight. We try to stay away from some of the theater that you might see, especially in something like this, because it is important. We are good at keeping the veterans at the heart of what we do. I think that is especially important as we talk about today's topic, because although pensions and insurance and fiduciaries might seem like sort of dry topics, there is a really painful story and reality behind so many of these numbers.

When you think about someone who receives a life insurance payment, that is someone who has lost a loved one. When you think about someone who is in the Fiduciary program, that is someone who is really struggling and in pain and in need of help. When you think about someone who is in the Pension program, this is—we are usually talking about a veteran. We are usually talking about someone who is in the later stages of life who is facing real financial strain and difficulty. We got to make sure that these programs continue to exist, continue to thrive for the people who need them. For the stories behind these numbers.

On the Insurance program specifically, I am happy that this portion of the hearing is not being driven by bad headlines or incriminating Inspector General (IG) reports, but rather because Congress is actually doing some forward-leaning oversight for a change. I think that is how it should be. Although I will also mention that I do intend to engage the Government Accountability Office to do a deeper dive into these programs, I hope you will join me in that effort, Mr. Chairman, I am eager to hear from you all today and to learn more about how this program supports our veterans, active duty service members, and their families.

Shifting to the Pension and the Fiduciary programs, these are areas, unfortunately, that have been in the news for the wrong reasons. They have been the focus of multiple Inspector General reports, and all too often, we see criminal behavior in these programs. Just this past February, there was a report of a fiduciary stealing more than \$158,000 from elderly and ill veterans. That is beyond unacceptable. It is exactly why this kind of oversight matters. The people in these programs are some of the most vulnerable people that the VA serves. To see someone who is taking advantage of people who are uniquely vulnerable is obviously despicable and something all agree we want to root out.

The VA's got to have strong protections in place to make sure that these veterans are not being made victims and the people who try to defraud them are being held fully accountable. In their testimony for today's hearing, the VA just gave us five paragraphs, mostly basic overviews of what these programs are and how they work. There is very little about actual oversight. It gives me a little pause that the VA is simply stating what the programs are and that they are being modernized. We are talking about a system that some of the Nation's most vulnerable veterans rely on. To see IG reports titled, Lapse in Fiduciary Program Oversight Puts Some

Veterans at Risk and failure to flag fiduciaries who are removed from results and risk to vulnerable beneficiaries also makes me deeply concerned.

We need more from the VA than bare bones information on these topics. We need real, honest accounting of the challenges of running these programs, the risks involved in running these programs, and the work being done to protect veterans, their families, and taxpayer dollars.

I am glad we are holding this oversight hearing today, both for a program that rarely makes the news and another that, when it does make the news, makes bad news. This will not be our end of—this will not be the end of our work on this and on these programs.

Mr. Chairman, I am excited to continue this oversight and work with you today. Thank you. I yield back.

Mr. LUTTRELL. Thank you, Mr. McGarvey.

I would like to welcome our first panel. We appreciate your time and your willingness to speak candidly about these programs.

Today on the panel, we have Mr. Tim Sirhal, Acting Principal Deputy Undersecretary for Benefits, Veterans Benefits Administration, and Ms. Jennifer Bover, Executive Directors, Pension and Fiduciary Services, Veterans Benefits Administration. Thank you.

Again, I ask that you both stand and raise your right hand.

Do you solemnly swear that the testimony you are about to provide is the truth, the whole truth, and nothing but the truth, so help you God?

Thank you. Let the record reflect that the witnesses have answered in the affirmative.

[Witnesses sworn.]

Mr. LUTTRELL. Mr. Tim Sirhal, you are now recognized for 5 minutes, sir.

STATEMENT OF TIM SIRHAL

Mr. SIRHAL. Good afternoon. Chairman Luttrell, Ranking Member McGarvey, and members of the subcommittee, thank you for the opportunity to appear before you today to discuss the Pension, Fiduciary, and Insurance programs within the Veterans Benefits Administration. I appreciate the committee's continued commitment to improving the lives of our Nation's veterans, their families, and their survivors. Joining me today from the Veterans Benefits Administration is Ms. Jennifer Bover, Executive Director, Pension and Fiduciary Service.

At VA, we take our responsibility to serve and protect veterans and their families very seriously, especially those who may be more vulnerable and need extra support. For example, VA's Pension program offers vital assistance to veterans and their survivors, particularly in their time of need. In Fiscal Year 2025, VA provided over \$2.8 billion in benefits to more than 200,000 beneficiaries. Through the dedication and hard work of employees and our leadership teams, we have taken great strides to expedite the delivery of these critical benefits.

As a result, we have reduced processing times by more than 110 days for veterans' Pension claims, by more than 100 days for Survivors Pension claims, and by more than 90 days for Dependency and Indemnity Compensation (DIC) claims, all while upholding

quality standards with an accuracy rate of 96 percent. Veterans' Pension claims are currently being completed in 57 days on average, and VA is completing Survivors Pension and Dependency and Indemnity Compensation claims in 73 days on average.

Another way VA protects veterans and survivors is through the Fiduciary Program. The program supports more than 104,000 veterans and survivors who are unable to manage their own VA monetary payments. VA appoints and oversees fiduciaries to manage the VA monetary benefits in the best interest of the veteran or survivor.

VA also oversees several Life Insurance programs that provide valuable financial security for service members, veterans, and their families. Programs open to new applicants include Servicemembers' Group Life Insurance for those currently serving, Veterans' Group Life Insurance for those transitioning out of service, and our newest program, Veterans Affairs Life Insurance or VALife, open to all service-connected veterans.

VALife launched in January 2023. Each applicant can elect up to \$40,000 in coverage at any time up to age 80. We designed the VALife application process to be quick and transparent. On average, it takes just 11 minutes to apply and confirm coverage online, and more than 90 percent of applications are automated. VA is proud to share that the VALife Program has been a tremendous success. Currently, there are approximately 80,000 active policies totaling \$2.5 billion in coverage.

Customer satisfaction is a top priority. Recent surveys show that well over 80 percent of respondents saying they are highly satisfied. Applications received are close to double those of the Service-Disabled Veterans Insurance program that the VALife program replaced. Importantly, 80 percent of veterans insured under VALife are 70 percent or more service-connected, meaning that the program is operating as designed to ensure those most in need are more—or who are more likely to struggle finding insurance coverage in the market and get their coverage through VA.

Overall, VA is deeply committed to serving and protecting veterans and their families while ensuring we are efficient in delivering on our promises.

Mr. Chairman, thank you for your oversight of these critical programs and for the opportunity to speak with you today. My colleague Ms. Bover and I welcome any questions that you or other members of the subcommittee may have.

[THE PREPARED STATEMENT OF TIM SIRHAL APPEARS IN THE APPENDIX]

Mr. LUTTRELL. The written statement of Mr. Sirhal will be entered into the hearing record.

I now recognize the Ranking Member for 5 minutes of questioning.

Mr. MCGARVEY. Thank you, Mr. Chairman.

Mr. Sirhal, the Fairness for Service Members Act was signed into law last December and requires the VA to review insurance coverage amounts every 5 years and report to Congress about adjusting those amounts for inflation. The first review and report were due in January 2026 this year, but Congress still has not received

it. When can we expect that review to be finished and the information sent to Congress?

Mr. SIRHAL. Thank you for that question, sir. The review is complete. It has not been provided yet. We will look into it—I will look into why it has not been provided yet, but the analysis has been completed by the actuaries.

Mr. MCGARVEY. Thank you. I will not speak for the Chairman, but a lot of times we agree up here on what we call “government speak” and saying, ‘I am going to look into it.’ That is something we hear a lot. Who has that report, and how do we get a hold of it?

Mr. SIRHAL. I do not know which office has the report. I will—I will find out.

Mr. MCGARVEY. Okay, we are going to—he has it. Is it your job to have that report?

Mr. SIRHAL. My—the team that is under me generates the information for that report and then puts it through for release. The analysis has been completed.

Mr. MCGARVEY. Okay. We—we need that report because it was due to us by January. Again, I am not—I did not actually plan on this being adversarial at all. It is your team, your team underneath you, that has completed the report. You do not have the report?

Mr. SIRHAL. I do not have the report. That is—

Mr. MCGARVEY. Okay. You should have the report, right? If it has been completed and it was due to us in January, you should have it at least.

Mr. SIRHAL. I have seen the report and it has cleared my office.

Mr. MCGARVEY. Okay. You have seen it, but you do not have it. Who has it?

Mr. SIRHAL. I do not know which office has it at this time. I will find out, though.

Mr. MCGARVEY. I know. You cleared it?

Mr. LUTTRELL. Who did you send it to after you cleared it?

Mr. SIRHAL. It should be with the department for final review.

Mr. MCGARVEY. Okay.

Mr. LUTTRELL. After the final review, your signature is the one that is going to send that to us?

Mr. MCGARVEY. Yes.

Mr. LUTTRELL. Forgive me.

Mr. MCGARVEY. No, no, please. Please, Mr. Chairman.

Mr. LUTTRELL. This is what the Ranking Member was talking about. You are playing a chess game with us. That is not going to work in this committee, sir. You are this—you are the official signature on the bottom of that report that your team is the one that created it, and you either handed it off. You cannot say you handed it off to the department. You mean you gave it to the secretary, and he is the one that has not given it to us. That is not how this works either. You are responsible for this department, and that report was due to us. We can play this game for a very long time, sir, and we can make it very uncomfortable in here. I think the answer to your question is, sir, most likely is, Mr. Ranking Member, I will have that to you by the end of the day, if you will. I will let you answer that question.

Mr. SIRHAL. I will find out where the report is and get it and make sure it is given to you as soon as I possibly can.

Mr. LUTTRELL. When you say "as soon as you possibly can" in your calendar, what does that look like? For me, that means when you walk out of here.

Mr. SIRHAL. I will make the appropriate phone calls as soon as I walk out here to try to move it.

Mr. LUTTRELL. It was due in January.

Mr. MCGARVEY. You have seen it and you have cleared it. I think that is kind of what we are getting at here. If you told me it is not finished yet, we would have been like, please get that finished. Can we be pushing? We need a date when it was due in January. You are telling me it is finished. You have seen it, you have cleared it, you do not know who has it, you do not know where it is. We will get it somehow, someway, somehow, at some point, which I hope you see why that seems evasive to us.

Mr. SIRHAL. It is not my intent to be evasive, sir. The actuaries have completed the information. The information has been validated by our financial folks. It is being cleared before it is released. I will find out where it is.

Mr. LUTTRELL. You are the guy. You are the guy, and you said that. Now, if you want to take that back, you can if you were just trying to hope we did not—we were not paying attention. Is there a signature on there that we need—that you need that you are not telling us?

Mr. SIRHAL. I mean, there is no—I will find out where the report is and what signature is missing that needs to be on there before it gets released to you. I promise that.

Mr. MCGARVEY. I will tell you we could do this all day long, and we might come back to this even. I think what you are hearing from both of us, again, I am going to go back to what I said in the opening. This is not—we are not—I in no way intended for this to be adversarial. I expected just kind of a plain answer. I am surprised at the answer I have been given. The report exists; it is finished. It is your team; you have cleared it. We do not have it, and you do not know where it is, and you cannot tell us when we are going to get it. For us, that—that is not acceptable because again, these reports, these audits, this—the reason this is a 5-year oversight, why we are supposed to see this is because it takes care of our veterans, and sometimes we get really frustrated with the VA because it seems like a black hole. What we really want and what we might even get with you offline before we get out of here is exactly when, and I am talking like today, tomorrow, by the end of the week, when we get that report, especially if it is finished. That is what we need.

Mr. LUTTRELL. He and I, and Mr. Self here, have to answer these questions to every single person that is sitting behind you right now. We do. They deserve those answers. I can assure you, sometimes the conversation is a way more abrasive than what you are receiving right now. Because you are doing this to us, you are going to hear this from me as the Chairman. Do not dance around these answers and hope that we are not paying attention, sir. Do you understand?

Mr. SIRHAL. Sir, I will give you direct answers.

Mr. LUTTRELL. The department, in its history, will come to these hearings and then walk out, and that is the end of it. That is not something the Ranking Member and I tolerate. Do you understand, sir?

Mr. SIRHAL. Sir, I fully understand, and you have my commitment. I will find out what is missing from that.

Mr. LUTTRELL. I will hold a hearing every single day with you. I will make this so uncomfortable if you choose to come in here and do this dance with me. Do you understand?

Mr. SIRHAL. Yes, sir.

Mr. LUTTRELL. Thank you.

Mr. MCGARVEY. A couple more questions, and I will yield back because I know we have got stuff to do. Thank you, Mr. Chairman.

Mr. Sirhal, I am going to ask you a few more questions. I am from Kentucky. It is a—it is a southern State. Sometimes people ask questions they mean as statements. These are actual questions. I do not know the answers to these questions and would love to get answers to these questions. In your testimony you state that there are approximately 104,000 beneficiaries in the Fiduciary program. How many total fiduciaries represent the 104,000 beneficiaries?

Mr. SIRHAL. I would defer that question to Ms. Bover.

Ms. BOVER. Thank you for that question, sir. There are about 76,000 fiduciaries that oversee about the 104,000 veterans and beneficiaries in the program.

Mr. MCGARVEY. Thank you for that. I was looking through this stuff, getting ready for the hearing, and I am just curious about how this program actually operates. Is there a maximum number of beneficiaries a fiduciary may represent?

Ms. BOVER. Thank you for that question, sir. I had a similar one when I first took over this position a little less than 6 months ago. There is not a maximum, but there are additional oversight measures that are put in place if a fiduciary has more than one beneficiary.

Mr. MCGARVEY. Okay. This is again just a—this is a legit question. In your experience, do you think there should be a maximum, or is the monitoring program you have right now, do you think that is sufficient?

Ms. BOVER. Based on what I know about the program right now, no matter how many beneficiaries a fiduciary may have, each beneficiary deserves to receive the same level of care. If we find through our oversight measures that that same level of care does not exist, we move to take appropriate actions.

Mr. MCGARVEY. How do you find that out?

Ms. BOVER. We can find that out through a number of different ways. One of the ways is every single year, each beneficiary receives a letter from us reminding them that they are in the Fiduciary program, letting them know what their rights are, and letting them know to contact us if they think anything is not working as they think it should, or they are not receiving the care that they believe they should. They also receive a phone call from us as well as in person visit, and that alternates every year as well. Then for our fiduciaries, we have oversight measures where they have to complete certain actions in a timely manner. There are annual ac-

countings where they must tell us how that money is being spent. We can do fund usage reports, which is 3 months' worth of bank statements, and we also do in-personsite visits with them as well, as appropriate.

Mr. MCGARVEY. Okay. I will just ask one more question and yield back to you, Mr. Chairman. We might have time for more questions later. Has a Fiduciary program or the Office of Inspector General found that fraud and abuse is more or less likely with what we would consider, for lack of a better word, professional fiduciaries as opposed to, like, family members or loved ones?

Ms. BOVER. I am not sure I have the exact answer to your question, sir, to be honest with you. What I can tell you is that we always aim to assign the fiduciary of the—of the veteran or beneficiary's choosing. That may be a spouse, a family member, a friend. As a last resort, is when we assign professional fiduciaries, and I can tell you that it is less—less than 2 percent of all fiduciaries are professional.

Mr. MCGARVEY. Thank you for that. Mr. Chairman, before I yield back, I would just be remiss if I did not say, Mr. Sirhal, we need that report, and we need to know exactly when we are going to get it. I yield back.

Mr. LUTTRELL. Thank you, Mr. McGarvey.

Mr. Self, you are recognized for 5 minutes, sir.

Mr. SELF. Thank you, Mr. Chairman.

Mr. Sirhal, I am going to throw you a lifeline here. From your answers I am trying to parse them. Is this report in one of your boss's offices and you have no control over it?

Mr. SIRHAL. Sir, the analysis is complete on the report.

Mr. SELF. Nope. My answer is a yes or no question. I am trying to throw you a lifeline here. If it is not a lifeline, just let me know. Is it in one of your boss's offices?

Mr. SIRHAL. I will confirm what is pending signature and what is—what is pending review.

Mr. LUTTRELL. I can assure you, you are about—I am about to get the hold of you again. Okay? Now, if we are in a place where we can no longer hold this committee hearing because you are way outside your comfort zone and do not want to give us our answers, then I will do that. I warned you earlier, sir, not to play this chess game with me. Okay? Are we clear?

Mr. SIRHAL. Sir, I assure you I am not trying to play a chess game.

Mr. LUTTRELL. Mr. Self.

Mr. SELF. I agree with the Chairman. When you come here, we kind of need—we ask simple, direct questions. We need simple, direct answers.

I want to talk about the veteran engaged in asset transfer to meet the Pension requirements. Okay? Now, if I—if my memory serves me correct, there are a couple of elder benefits that is, it is perfectly acceptable to divest yourself of your assets in order to meet the criteria. Are we talking about a true transfer, true asset transfer here, in other words, giving it all to your kids, your grandkids, or something? Are you—are we suggesting that you are hiding your assets in order to meet the criteria?

Mr. SIRHAL. I will defer that question to Ms. Bover.

Ms. BOVER. Thank you for that question, sir. In terms of the 3-year look-back, that is to ensure that beneficiaries, the veterans, or the survivors are receiving the needs-based benefit that they have earned and making sure that their income and net worth limitations are under the rate that is set by Congress every year, sir.

Mr. SELF. Okay, I am not sure that answers the question. I am trying to determine if this is consistent with our other policies and elder benefits. This 3-year look-back and the criteria, is this a statute or is this a rule in the VA? This requirement for no more than \$163,699, is that statute or is that rule?

Ms. BOVER. I am going to need to look into that and get back to you to find out if it is in a statute or if it is something that the VA did prior to my time to be able to ensure that the veterans and the survivors were receiving the right amount of needs-based benefit based on their assets that they have.

Mr. SELF. Okay. The veteran, and I think this is true, can be banned for up to 5 years if they are not meeting the actual requirement. Is that correct?

Ms. BOVER. Thank you for that question, sir. I believe that is correct, sir.

Mr. SELF. Let us move on to something you might be able to answer. Your VALife risk. We like to talk about outputs here. Let me get to the right document here. You have got—you are very satisfied with it. You now have 2.5 billion in coverage, but you do not tell us—and people are very satisfied with it. 82.6 percent are very satisfied with it. What is the loss ratio on this? What is the risk to the Federal Government? How does this—how does the loss ratio work in this particular Insurance policy?

Mr. SIRHAL. A life policies are whole life policies, so they build cash value. The program, by statute, must be self-supporting, which it is.

Mr. SELF. Okay.

Mr. SIRHAL. Our reserves have been building over the last 3 years since January 2023. We have the appropriate reserves for the number of folks in the program, which is approximately 80,000.

Mr. SELF. Okay. You are meeting the commercial reserve standards?

Mr. SIRHAL. Yes, sir. We have an actuary team who sets that every year and revisits premiums every year to ensure that premiums and expenses align with the appropriate reserves.

Mr. SELF. Okay, very good. Mr. Chairman, I yield back.

Mr. LUTTRELL. Mr. Sirhal, since the Servicemembers' Group Life Insurance and the Veterans' Group Life Insurance programs were created in 1965 and respectively 1974, has VA ever sought additional insurance providers outside of Prudential to provide coverage to veterans? If not, why?

Mr. SIRHAL. Thank you for that question, sir. I cannot attest to whether there was competitors 15–20 years ago, but I can tell you that there has not been formal market research in the last 10 years. That program, the SGLI and VGLI program under the current construct, has been able to consistently increase coverage available, most recently in 2023, with 500,000.

Mr. LUTTRELL. Would it make sense in 2026 to compete these programs for lower costs?

Mr. SIRHAL. While testing the market could bring advantages, doing so would just have to be done very carefully so as not to inadvertently disadvantage those veterans in the——

Mr. LUTTRELL. I think the transition from one program to another, if it was more cost-effective for the VA but more beneficial for the veterans, would make sense.

Mr. SIRHAL. Understood.

Mr. LUTTRELL. Has your office competed that in any way since you have been in this seat?

Mr. SIRHAL. Our office has done initial research.

Mr. LUTTRELL. What does that mean?

Mr. SIRHAL. It means that we validated that under the current statutory construction, very few companies would be eligible to compete for the—for the product. Our office has also done analysis to ensure that administrative costs for Prudential are——

Mr. LUTTRELL. Prudential has been there since 1965. They are so dug in on this, after so many years, no other company can carry that kind of weight?

Mr. SIRHAL. Sir, the statute has requirements of who is even eligible.

Mr. LUTTRELL. Say that one more time?

Mr. SIRHAL. The statute has requirements on what companies could even compete. It is less than 10.

Mr. LUTTRELL. Less than 10 companies in the continental United States?

Mr. SIRHAL. Based on our analysis. The requirements are, and they are pretty simple requirements, but they are difficult to satisfy. A company can only compete for this product if they are licensed to issue insurance in every State and DC, and they have 1 percent or more of the total group policy life insurance in place in the Nation. It is essentially the top.

Mr. LUTTRELL. How often do we compete this?

Mr. SIRHAL. It has not been competed to my knowledge.

Mr. LUTTRELL. Since 1974?

Mr. SIRHAL. To my knowledge, it has not. I do not know if there was an effort made prior to that time or prior to the last time.

Mr. LUTTRELL. Congress needs to request a report to see if there is any other company besides Prudential that can lower the cost for the VA and increase the benefits for our veterans. Is that what you are telling me? Out of the 10 that you said exist.

Mr. SIRHAL. Sir, we have looked into and conduct robust oversight. We are very comfortable with our level of oversight. As I noted, testing the market there can definitely be advantages to that. However, we want to be sure that in doing so, we do not inadvertently do more harm than good by disrupting this important benefit. Which I will have to note that in the VGLI program, for example, that there is no underwriting for the first 240 days. Not only is there no underwriting, there is also no health questions, which is very unique, and the private insurers are not used to doing. Typically, even an insurance program in the private industry where they say there is no underwriting, there is still——

Mr. LUTTRELL. All right, just to clarify something for me. We have not competed this contract since 1974?

Mr. SIRHAL. That is correct.

Mr. LUTTRELL. We are okay with that?

Mr. SIRHAL. We are okay with the level of oversight and the performance of Prudential. Is there an opportunity to test the market to see if there are improvements? Yes, there is that opportunity.

Mr. LUTTRELL. We have not done that.

Mr. SIRHAL. We have not done that as of now.

Mr. LUTTRELL. That is 50 something years, right? We might want to take a look at that. What is the conversation rate at transition from SGLI coverage to VGLI coverage?

Mr. SIRHAL. Thank you for that question. In general, for SGLI, the application rates are around 23 to 25,000 a year, and the conversion rate is around between 8 and 12 percent.

Mr. LUTTRELL. I does not make sense to have more options inside the coverage network to lower rates. Obviously not since we have not done it in over 50 something years.

Mr. SIRHAL. I will say, sir, that the current construct allows us to focus our oversight on Prudential so that we can ensure that their rates are competitive. VA sets the rates, which we have been able to drop consistently over the years. Our last time in July 20,000—2025, we dropped the rates for all active-duty service members, all veterans, and all spouses. It should save them, based on our projections, over \$2 billion over the next 10 years.

Mr. LUTTRELL. That is great. I mean, those are fantastic numbers. Just out of morbid curiosity, I would think they are, out of the other 10 that are—that exist that could possibly do this, could it be better? We do not know that because we have not done it in over 50 something years.

Mr. SIRHAL. The one other note I could make, if you would not mind, is because the contract was put in place in 1965 without getting into the details here in a public forum, there are advantageous—

Mr. LUTTRELL. Is it classified?

Mr. SIRHAL. It is not classified.

Mr. LUTTRELL. Okay.

Mr. SIRHAL. There is advantageous provisions in that contract. I would want to be very careful not to disrupt that and inadvertently put VA in a position where we had less bargaining power if we were to either engage with Prudential or test the market.

Mr. LUTTRELL. I feel like I should unpack that. You got anything?

Mr. MCGARVEY. I am going to go kind of go into an area that the Chairman was just getting into a little bit as well. This is about the Life Insurance program. I want to raise a real concern I have about the transition from Service Disabled Veterans Insurance (SDVI) to VALife. You know, kind of what you are, I hope you are gathering from this committee, this committee is not about scoring points or getting one over on one another. This is about doing what is right for our veterans, our men and women who put on that uniform, who put that flag on their shoulder and said we are going to, we are going to serve and be willing to sacrifice everything to keep this country safe and free.

When the grace period expired, veterans lost the ability to keep their existing SDVI coverage during the 2-year waiting period before VALife coverage began. Now that created a coverage gap. I un-

derstand, and I grant you this. It is one thing to apply a 2-year waiting period to new applicants, people who were not previously enrolled in an insurance plan. It is a totally different thing to talk about people who are doing the right thing, who were carrying life insurance, who were paying their premiums, but then are being told that they have to go without coverage for 2 years before the new plan kicks in. That is administrative, right? That is not acceptable. I do not think we should put our veterans at that sort of risk, a 2-year gap. We all know a lot can happen in 2 years just because of an administrative change.

Has the VA tracked how many SDVI policyholders have switched to VALife insurance since January, when the ability to carry both policies expired?

Mr. SIRHAL. I can confirm that number, sir.

Mr. MCGARVEY. Okay. Okay, this is one we want those numbers. I understand you do not have it today, but we want it, and we want it as soon as you can gather.

You know, just a couple of quick things I wanted to get to in our first round of questioning. Go back to the fiduciaries. You know, obviously, this is something I am very concerned about because for a veteran who is using a fiduciary, that is someone who is in trouble, right? You know, they are in crisis. They have something in their life where they need a fiduciary to handle their affairs. I want to talk about what is happening when fiduciaries are assigned to minors, minors related to veterans, because, you know, obviously, there is a lot of opportunity for potential wrongdoing or abuse in that type of system. How often does the VA review the finances of a fiduciary assigned to a minor?

Ms. BOVER. Thank you for that question. All of our fiduciaries do—we do have oversight over all the fiduciaries. There are, for example, annual accountings that we would do, and then we assign a fiduciary for a minor, as it is based in statute.

Mr. MCGARVEY. Okay. Again, I am asking you legit questions. You guys are the experts on this. We are just trying to make sure our veterans and their families are taken care of. Tell us if you do not think this is the case, like we want to help. Do you think that—do you think that is often enough?

Ms. BOVER. I think the oversight procedures that we do have in place, you know, I have mentioned some of the accountings and fund usage reports and insight visits, also reaching out to the beneficiaries themselves, not if they are a minor. We also run clear reports on them every single year just to make sure that nothing has changed in their life that may lead them down a path that is—that is not acceptable. We also try to assign the fiduciary of the beneficiary's choosing.

I do believe the oversight that we have is adequate and that we have to continue with what we are doing to ensure that every single veteran and beneficiary is being well taken care of and that their funds are being well managed for their own benefit.

Mr. MCGARVEY. Thanks. That is what I mean. These are not trick questions, right? Like, if you think it is adequate and it is working, we want to know that. If you do not think it is adequate, we want to get you what you need to make sure that it is adequate.

Ms. BOVER. Yes, sir.

Mr. MCGARVEY. I think, Mr. Chairman, I can—I think we can stop there.

Mr. LUTTRELL. Mr. Self.

Mr. SELF. Thank you, Mr. Chairman.

Mr. Sirhal, the criteria used to determine when a beneficiary requires a fiduciary, what due process protections are in place? Specifically, I want to talk about the—in the past, the allegations that someone that might have been able to handle his finances at a fiduciary because of other factors. Criteria, due process, and exactly who gets a fiduciary?

Mr. SIRHAL. Sir, I can address parts one and two of that question. Part three, I will defer to Ms. Bover.

The new fiduciary should be appointed unless there is medical evidence of their incompetency to handle their—their VA funds. I will make that distinction. The medical determination is only about managing VA funds. It does not extend beyond that into your ability to conduct yourselves in any other way.

As far as a due process, prior to any finding of a need for a fiduciary, there is a due process period. It is at least 60 days. After the expiration of that 60-day notice, the veteran or beneficiary could submit any information or evidence to dispute and show that they, in fact, can handle their funds. After that point, if the incompetency rating is completed, it is referred to the Fiduciary hub, who then finds a fiduciary and works with the veteran or beneficiary.

As far as the process, once the referral happens to the Fiduciary hub, I will defer that to Ms. Bover.

Ms. BOVER. To assign a fiduciary, we have to first do our due diligence to make sure that the right person is assigned that can appropriately care for that veteran or beneficiary. We do a criminal background check on the fiduciary as well as a credit history check. In addition, we personally meet with the—

Mr. SELF. No, I am sorry. My question deals with the veteran, him or herself. Is it only—do you decide on mental acuity? Are there other factors outside of a mental acuity to handle financial funds that you might assign a fiduciary?

Ms. BOVER. The VA does not necessarily make that determination. We are taking the medical evidence, as Mr. Sirhal said. There, for example, a doctor may state that a particular veteran or beneficiary, for whatever reason, is not able to manage their VA finances. That is what we use as our evidence to make a decision. We do not override what a medical doctor would say.

Mr. SELF. Okay. Mr. Sirhal, how many allegations of misconduct have you received in the last year in the fiduciary world?

Mr. SIRHAL. I would refer that to Ms. Bover for the data points.

Ms. BOVER. Thank you for that question. On average, we have about 165 cases a year that are substantiated for misuse.

Mr. SELF. That is confirmed misuse. 165?

Ms. BOVER. Correct. That is less than 1 percent of our complete portfolio.

Mr. SELF. Okay, so what is the restitution process? Is there one?

Ms. BOVER. Thank you for asking that. I think first and foremost, as we have talked about, we are always looking at out for the best interest of our veterans and beneficiaries. If misuse is substantiated, the most important thing to know is that that veteran

or beneficiary is made whole, meaning they get that money back. Additionally, when that happens, we also refer all of these cases to the Office of Inspector General. If there is a surety bond on the financial account, we will go after getting back that money through the surety bond. We also encourage any time that somebody believes that some kind of misuse has happened to report that to the Federal Trade Commission as well.

Mr. SELF. Okay. Mr. Sirhal, last—in my last 30 seconds, why does VA allow surviving spouses who remarry but later to divorce to reapply for DIC and Survivors Pension?

Mr. SIRHAL. I will defer that question to Ms. Bover.

Ms. BOVER. I think your question was if there is a survivor that is currently receiving a Pension or DIC. I believe your question was what happens if they remarry? Is that correct?

Mr. SELF. No, it is the surviving spouse who remarries and then divorces can reapply for the benefits?

Ms. BOVER. Yes, sir.

Mr. SELF. Surviving spouse.

Ms. BOVER. Yes, sir.

Mr. SELF. Do you believe that that is what Congress intended with the black and white letter law?

Ms. BOVER. I believe that what we all want is for veterans—for surviving spouses to receive earned benefits.

Mr. SELF. Well, the question is earned benefits when they remarry are terminated.

Ms. BOVER. There are remarriage restrictions for both our Dependency and Indemnity Compensation, as well as our Pension benefits. For Pension benefits, if they remarry at any age, they lose that benefit. For Dependency and Indemnity Compensation, if they remarry before the age of 55, they lose that benefit, sir.

Mr. SELF. Right. My time is up. Without answers, Chairman, I yield back.

Mr. LUTTRELL. Thank you, Mr. Self.

You know, if the VA just let them keep it and did not take it away from them in the first place, we would not have that problem.

Ms. Bover, what do you believe are the biggest communication challenges for surviving spouses and what they face with the VA today?

Ms. BOVER. I think this is an area that the VA has made tremendous strides in over the past year. I can tell you, since I have been—

Mr. LUTTRELL. Over the past year?

Ms. BOVER. Since I have been here about the last 6 months, I have done—done my part in ensuring that I am actively engaging with the survivor community to hear what their concerns are and take action on their concerns. We want nothing more than to ensure that they are—they know about what benefits they are eligible for—

Mr. LUTTRELL. How are we doing that?

Ms. BOVER [continuing]. and able to apply for them.

Mr. LUTTRELL. Generationally, it can be challenging. The younger spouses, I do not mean any disrespect when I say this, but the younger generation is very engaged in digital media. The older generation may not be. How are we touching them both?

Ms. BOVER. I appreciate that question. While VA is moving more toward a digital platform, we still have our paper. So the—so we still send things out via mail. Surviving spouses are still able to come and see us in one of our public contact team units in-person. There is one in every State. For those that are comfortable, there is online resources they can apply online for all of our benefits, research our benefits. For those that are not comfortable, again, we do have paper forms of paper of explaining those benefits.

Mr. LUTTRELL. I am sure the digital pipeline is very streamlined. It is start to finish from the spouse to whomever is on the—on the receiving end. What does a paper trail look like? How many hands does that have to go through? Then it has to be inputted digitally from somebody internal to the VA. Correct?

Ms. BOVER. I will—I will answer that twofold. If the surviving spouse goes online to VA.gov and applies, that information is automatically received by the VA to be worked. If they choose to fill out a paper form and mail that, that goes to our scanning vendor, and our scanning vendor then scans that and puts that into our system. If something is mailed, right, we have that delay of the postal service. It is a little bit quicker if they go online. If they do not have those resources, to your point, sir, we can assist them with that in one of our public contact team units in every State, or we also encourage them to work with an amazing veteran service organization.

Mr. LUTTRELL. How does the VA respond, and how long to a spouse that submits it through the mail? Do they—they will have to obviously respond with a letter. If it—when it hits the VA, then it has to be scanned in. Then once it is scanned in, it will—they will—they will populate a report, or it says, hey, this is done. Then that report has to be mailed back to the spouse. Correct?

Ms. BOVER. Whether they apply online or—

Mr. LUTTRELL. No, no.

Ms. BOVER [continuing]. via paper—

Mr. LUTTRELL. Not online, just snail mail.

Ms. BOVER. Yes, sir. Either way that they apply, we are providing those decisions about 100 days sooner. Those benefits are getting into their hands well within under 90 days.

Mr. LUTTRELL. I am kind of running in a different lane all of a sudden. I apologize. I want—some of the questions that we get is, I am not getting any response from the VA that this has been done. Again, my question is if snail mail comes in and is scanned into the system, now they are in the system, but they do not know that. Does the VA populate a letter and mail it back to them or are they just kind of?

Ms. BOVER. Great question, sir. Years ago, because processing times were so high, there used to be a lot of different communication going out so that people knew that they were not forgotten, and that their claim was being processed. Because we are processing claims so quickly now, as well as accurately, they do not receive as much communication because that time span has greatly shortened.

Mr. LUTTRELL. Okay. You are still—we are still kind of dancing around my question here. How does my mother, who does not know

how to turn on a computer, receive a response from the VA in the mail, or will she receive a letter in the mail from the VA—

Ms. BOVER. Yes.

Mr. LUTTRELL [continuing]. that we have scanned your information, and it is in the system?

Ms. BOVER. Because we are processing those cases so quickly now, a lot of those interim communication points are no longer existing. However, when a decision—

Mr. LUTTRELL. Does that mean no? I am sorry.

Ms. BOVER. Yes. When a decision is made, they will receive something via paper, sir. I can also tell you that for a dependent—

Mr. LUTTRELL. When the decision is made, but not, hey, we have received your letter?

Ms. BOVER. Correct.

Mr. LUTTRELL. Now, help me out on this, because where I live, it is country, all right? My veterans, which I have 40,000 veterans in my district, and some of their biggest complaints to me, is like, I do not know if the VA has received me.

Ms. BOVER. One of the advances that we have made or changes we have made over the last year, especially with our Dependency and Indemnity Compensation cases, is that we are reaching out via telephone personally to these survivors. If we are missing information, we are reaching out and making sure that they understand what they need to get us so that we can quickly provide them this—the earned benefits that they have.

Mr. LUTTRELL. Okay. We have got kind of an—and every district is different. Some of my folks do not have telephone, oddly enough, and they absolutely do not have a cell phone. I live—that is the kind of folks that I represent. They are all in. Do I need to have my VA—how did—they are not getting the information. I guess it is, basically, how I am saying this; they are not receiving any notifications whatsoever by mail because they do not have Internet. They do not do the phone thing. I think my question now is, does the VA respond by paper mail once an applicant's information is input into the system? That is a yes or no question.

Ms. BOVER. Understood, sir. No, not—

Mr. LUTTRELL. No, they do not. Okay, we are going to have to—we are going to have to figure that one out. That is a big deal. All right? Not so much for folks who live around the city and can do all the live in the metaverse, but for the country folks that I represent, they need that. All right? We are going to have to figure something out. Fair enough?

Ms. BOVER. Yes, sir.

Mr. LUTTRELL. All right. What are the most common financial mistakes or missed opportunities, the survivors, kind of—what—that happened to them, that is there a—is the VA tracking? Like, if they submit an application and it is processed, and they are going to resubmit, it is like, hey, you missed something. I think that is a breakdown of communication. Is there a—do we have a, oh, if you want to take a survey or kind of a—is there a language model that we are utilizing inside the VA that populates something for the spouses to say, hey, make sure you are taking a look at

things, at this? We—we have noticed that most of the spouses may miss this opportunity.

Ms. BOVER. We do not have something like exactly what you are talking about. What I can tell you is that we have made a lot of changes over the last year. For example, we have started sending pre-need pre-planning information to veterans while they are still alive so they can have these conversations with their spouses on what benefits they may be eligible for. When we hear that a veteran has passed away, we are immediately, to your point, sending a letter to let them know what benefits they may be eligible for. I think something that is super important that we have done is that if, in certain circumstances, and I will give you an example, if a veteran is 100 percent service-connected for more than 10 years and they pass away and they have a spouse on record, VA is automatically providing them their survivor benefits without them having to apply within 6 days. We have done about 100,000 of those just so far this fiscal year.

Mr. LUTTRELL. Within 6 days?

Ms. BOVER. Yes, sir.

Mr. LUTTRELL. Okay. If I pass away—just talking hypotheticals.

Ms. BOVER. Yes, sir.

Mr. LUTTRELL. If I pass away, my spouse will receive benefits.

Ms. BOVER. So—

Mr. LUTTRELL. There is a 6-day gap or—

Ms. BOVER. From the—again, there are certain situations. If we know that, for example, if you are 100 percent service-connected for more than 10 years and you pass away, because we do not have to look into whether the cause of death was related to service, and there was a spouse on the award, yes, sir. We are automatically paying those benefits from the time we find out about the death to that spouse on record within 6 days. In fact, about 40,000 of those this year have been within 1 day, and the spouse does not have to apply for those benefits, sir.

Mr. LUTTRELL. The Survivors Pension application is roughly 20 pages long, correct?

Ms. BOVER. The current application is. Yes, sir.

Mr. LUTTRELL. In that application, does it describe every single Pension benefit possible for the spouses or is it something they got to go hunt for?

Ms. BOVER. So the—

Mr. LUTTRELL. I may not be asking that right. Go ahead.

Ms. BOVER. Yes, sir. That exact form, the 21-534EZ, is a claim for three benefits, which is the accrued benefit pension, as well as Dependency and Indemnity cost.

Mr. LUTTRELL. Three benefits?

Ms. BOVER. Yes, it is three benefits.

Mr. LUTTRELL. Is there only three or is there more than that?

Ms. BOVER. There is also burial benefits, and there is a—there is, it is a little nuanced, there is a separate form for burial benefits. However, if we do grant service-connected death, we can also automatically pay burial benefits.

Mr. LUTTRELL. Can or do?

Ms. BOVER. We do. If we grant service-connected death, we can automatically pay those benefits based on the form they submitted, sir.

Mr. LUTTRELL. Why cannot we package all that together?

Ms. BOVER. That—that is our, our way of having all three benefits on one form. Sometimes, for burial benefits, it is not necessarily the surviving spouse who may have incurred that—that cost, or it may not be service-connected. Again, when it is, we are paying those benefits based on that one application.

Mr. LUTTRELL. There is five total, if I understand?

Ms. BOVER. Uh—

Mr. LUTTRELL. Burial is the other one you mentioned.

Ms. BOVER. There is accrued—the 21-534EZ has accrued Dependency and Indemnity Compensation and Pension. Three, then again, if we do grant service-connected DIC, we will automatically pay that benefit.

Mr. LUTTRELL. How would a surviving spouse that lives in—that lives in Cold Spring, Texas, know all that is available? If you do not know where Cold Spring, Texas is, I mean, we are really excited about that. They just got power out there. We do not lose water. You know, that kind of thing. It is a very remote place. I am—if you are listening, Cold Spring, I love you to death. I am here for you. The surviving, those spouses out there, they are not—how do they—how do they know all that information? They are not going to get online to get it.

Ms. BOVER. Yes, sir. In those cases where we are not able to process automatically, we are sending them a letter. They will—those folks will receive a letter in the mail.

Mr. LUTTRELL. Okay. You got anything? Mr. Self. Okay.

Ms. Bover, Mr. Sirhal, thank you very much for your time today. Mr. Sirhal, I look forward to hearing from you, the Ranking Member and I. Okay? Thank you.

[Recess.]

Mr. LUTTRELL. Are we ready? Ms. Sipes, you ready?

Mrs. SIPES. Yes, sir.

Mr. LUTTRELL. It will be—it is going to be a great day. It is going to be a great day.

We appreciate you guys coming to chat with us.

I would like to introduce Ms. Tamra Sipes, National President, Gold Star Spouses of America, and Mr. Joseph Barnet, Vice President of the Office of Servicemembers' Group Life Insurance, Prudential Financial. I am sure you got a kick out of what I was just—we will talk about that.

I ask that the witnesses please stand and raise your right hand?

Do you solemnly swear that the testimony you are about to provide is the truth, the whole truth and nothing but the truth, so help you God?

Let the record reflect that the witnesses have answered in the affirmative.

[Witnesses sworn.]

Mr. LUTTRELL. Ms. Sipes, you are now recognized for 5 minutes to present the testimony on behalf of Gold Star Spouses of America.

STATEMENT OF TAMRA SIPES

Mrs. SIPES. Thank you. Chairman Luttrell, Ranking Member McGarvey, and distinguished members of the subcommittee, thank you for the opportunity to testify today on behalf of Gold Star Spouses of America.

My name is Tamara Sipes, and I serve as the National President. I am also a surviving spouse. Like so many others I represent, many here today, my life and my family's life was changed forever by my husband's service and sacrifice.

For us, VA programs are not abstract benefits. They are the foundation of our financial stability, our access to care, and our ability to move forward. Surviving spouses navigate grief, financial transition, and complex administrative systems all at the same time without clear guidance, timely communication, or processes that reflect the realities of their lives. These are not minor inconveniences; they have real consequences.

While there have been improvements, further efforts are needed across the Pension, Fiduciary, and VALife programs. Many surviving spouses are confused about how the Survivors Pension works, especially alongside Dependency and an Indemnity Compensation, DIC.

Survivors turn to the Pension program only to find that the income threshold, approximately \$11,700 annually, is set well below the poverty level. The term "pension" can be confusing for survivors as it is understood as a collective benefit, as opposed to just one component of possible survivor benefits. As a result, many survivors spend time and emotional energy applying only to be denied.

The issue is not just eligibility; it is clarity. Survivors need plain language explanations up front so they can understand whether they qualify before entering the process, and we urge Congress to examine the current threshold for Survivor Pension eligibility to better align at least up to the Federal poverty level.

While we appreciate the VA's efforts to modernize, a digital-first approach will unintentionally leave many survivors behind. Nearly a quarter of seniors do not regularly use the internet, or they live in rural areas. For many surviving spouses, mailed correspondence is not outdated; it is essential. An annual benefits letter, while many do not receive sent to all surviving spouses, would serve as a reliable touch point.

We have also heard from survivors who were not informed about the 1-year window to move death gratuity and SGLI benefits into tax-advantaged accounts. By the time they make these decisions, the opportunity has often passed. Survivors should be proactively informed and given structured options before funds are distributed, rather than be expected to navigate these decisions during the first year of profound loss.

One of the most immediate and personal issues for many of our members is the Fiduciary program. We have heard consistent concerns about burdensome and confusing requirements specifically involving biological children. In some instances, surviving spouses who were previously recognized as competent beneficiaries for their children are required to establish fiduciary arrangements solely due to remarriage. This can feel misaligned reality and adds unnec-

essary stress. While oversight is important, current policies create unnecessary burdens on surviving spouses.

In addition, we would like to recognize and commend the VA for voluntarily moving the Office of Survivors Assistance (OSA) back under the Office of the Secretary in May 2025. Although this administration action alone is not a durable safeguard without a statutory requirement, OSA can be moved again, leaving survivors without consistent access, authority, and visibility at the department's highest level.

We respectfully ask for action on H.R. 1228. Clarifying the law is necessary to ensure this does not happen again. Enclosing unclear communication and eligibility requirements can result in delayed benefits, financial instability, and unnecessary hardship during an already difficult chapter in life.

We can better honor our surviving spouses with not only our gratitude, but our commitment to ensuring the systems designed to support them are clearly communicated, equitable, and responsive. Gold Star Spouses of America stands ready to work with this subcommittee and the VA to advance solutions.

Thank you for your time, and I look forward to your questions.

[THE PREPARED STATEMENT OF TAMRA SIPES APPEARS IN THE APPENDIX]

Mr. LUTTRELL. The written statement of Ms. Sipes will be entered into the hearing record.

Mr. Barnet, you are now recognized for 5 minutes, sir.

STATEMENT OF JOSEPH BARNET

Mr. BARNET. Chairman Luttrell, Ranking Member McGarvey, and members of the subcommittee, my name is Joe Barnet, and I am Vice President of the Office of Servicemember Group Life Insurance. On behalf of Prudential, thank you for the opportunity to testify today. Prudential is proud to serve as the administrator of the Servicemembers Group Life Insurance Program, also known as SGLI. We recognize the trust the VA has placed in us to support service members, veterans, and their families during moments of profound loss, injury, and transition, and we take that responsibility very seriously.

Today, the program provides approximately \$1.25 trillion in life insurance coverage to more than 5.1 million service members, their dependents, and veterans. Since inception, the program has paid more than \$35.2 billion in benefits, including life insurance benefits and traumatic injury payments under Traumatic Servicemember Group Life Insurance.

Prudential was founded more than 150 years ago with a simple purpose: to help working families find peace of mind at a time when few financial protections existed. As our Chief Executive Officer (CEO), Andy Sullivan, a veteran himself, often notes, Prudential started with something as basic and human as burial insurance. While our business has evolved over generations, our focus remains the same: being there for people when it matters most.

That commitment is reflected in Prudential's role in partnership with the Department of Veterans' Affairs, administering life insurance programs for the military community, beginning with Servicemember Group Life Insurance.

The SGLI program was established by Congress to ensure that servicemembers have access to affordable, guaranteed issue life insurance. Under the statutory framework, Congress sets the requirements, the VA provides oversight and issues implementing regulations, and Prudential administers the program through the Office of Servicemembers' Group Life Insurance, or OSGLI in strict accordance with those requirements. Coverage under the program is automatic for servicemembers and includes continuation of coverage following separation, extensions for totally disabled service members, and protection for qualifying traumatic injuries.

Through OSGLI, Prudential administers claims with care, processing claims initiated through military service in accordance with VA Policy and communicating directly with beneficiaries as appropriate.

In addition, to SGLI, OSGLI disburses timely payments of Traumatic Servicemember Group Life insurance—or TSGLI—benefits, which provides tax-free lump sum financial support to servicemembers who suffer qualifying traumatic injuries, and VGLI, which allows veterans to continue their life insurance coverage following separation from service. OSGLI also plays a central role in outreach during transition, helping ensure awareness of continuation of coverage under VGLI after military service, including the opportunity to apply for coverage without the need to qualify medically and the potential for disability extension coverage.

In closing, Prudential's role in regards to these programs is not simply an operational responsibility; it is a solemn trust. We deeply value our close partnership with the Department of Veterans' Affairs in fulfilling these promises to those who serve and the families who stand behind them.

Thank you for the opportunity to testify, and I look forward to answering any questions that you might have.

[THE PREPARED STATEMENT OF JOSEPH BARNET APPEARS IN THE APPENDIX]

Mr. LUTTRELL. The written statement of Mr. Barnet will be entered into the hearing record.

Mr. McGarvey, sir, you are recognized.

Mr. MCGARVEY. Thank you, Mr. Chairman.

Ms. Sipes, thank you so much for being here. Thank you for your service. Thank you for your sacrifice. Thank you for turning that pain into purpose and for helping so many people across the country. I will start with you.

You raised concerns in your testimony about the fiduciary program and how it treats minor children, especially those receiving Dependency and Indemnity Care, or DIC, as we call it, and who are living with a parent who just happened to remarry and find love again. Can you elaborate a little bit on that, please?

Mrs. SIPES. Well, if you are a parent, if you are a surviving spouse, and you have minor children, you receive Dependency and Indemnity Compensation for your children, for yourself. There is no site visits. There is no quarterly reports that I have to give as a parent. There is no—I am their biological parent. When I—if I were to remarry or that surviving spouse remarries, all of a sudden, it turns into well, you are not the parent anymore. Now you are a fiduciary. You have to go through site visits, you have to go through

quarterly reporting, you have to account for, you know, if all of those funds come in, where they go. As a biological parent, you are treated differently.

Mr. MCGARVEY. Which makes no sense.

Mrs. SIPES. Correct. Thank you.

Mr. MCGARVEY. You know, it makes absolutely zero sense to me whatsoever. I think it highlights another aspect of how completely unreasonable and out of touch the remarriage penalty is for survivors and why passing the Love Lives On Act is so important for us to get done this Congress.

Do not clap for me. The biggest champion of this in Washington is sitting right here at the head of the dais, and the Chairman, Morgan Luttrell.

I say all that. None of those were applause lines. I mean, we really—

Mrs. SIPES. We have a handful of folks.

Mr. MCGARVEY. He does this, we do this because it is the right thing to do by our veterans and their families. Again, Ms. Sipes, I really appreciate your willingness to speak up. I know it is not easy. The fact that you are doing it is going to help a lot of people in this country out.

I also want to ask you a little bit about the income limits for VA Pension programs. In your opinion, are those limits high enough?

Mrs. SIPES. The Pension program is set up, I mean, \$11,700. You have to be destitute. I mean, they are—they do not qualify for anything else. They are not even at a Federal poverty level. It is just an offset. If you are making \$10,000, they are going to send you a \$1,700 check for the year to get to that \$11,700. I mean, how can you even live off of that?

Mr. MCGARVEY. You cannot.

Mrs. SIPES. No.

Mr. MCGARVEY. The Federal poverty level is just above \$15,000.

Mrs. SIPES. Correct.

Mr. MCGARVEY. This is just above \$11,000. Of course, you are dealing with all the other complexities that go with losing a spouse and all of the other paperwork—

Mrs. SIPES. Correct.

Mr. MCGARVEY [continuing]. and forms, and potential needing to get yourself back on your feet, or whether you have a job or do not have a job, or can keep a job, and just everything. Then, you are filling out these paperwork—you fill out this paperwork to either one, go all the way through it, and then find out you do not get it.

Mrs. SIPES. Right.

Mr. MCGARVEY. Or two, find out you get it, and it is, I mean, I guess it is better than nothing, but it is still a little bit of a slap in the face that it is so low.

Mr. Barnet, in my remaining time, I am going to switch to you. As I understand it, premiums in the Insurance program increase with 5-year age increments. They increase with age in 5-year increments, I should say. Logically, that makes sense. The older someone gets, the more it costs to insure them. I worry that these rate increases hit just as policyholders are moving into their later years

and often on to a fixed income. That makes the insurance harder to afford at the moment they need it most.

Do you or VA track how many people drop their insurance coverage? If you do, do you get reasons for why they do it?

Mr. BARNET. Thank you for that question, Ranking Member. I would be able to—I do not have that information with me right now—I would be able to go back and bring that to the committee.

Mr. MCGARVEY. Yes. I think, you know, having both the numbers—having the number is helpful just in and of itself. To the extent you have the reasons why, also instructive for us. Again, the goal of this committee is to do right by our veterans and find out what is happening to them, what is impacting their lives, what we can do to make that better and easier for their service.

What kind of flexibility are you able to offer when a policyholder is having trouble making payments?

Mr. BARNET. Thank you for that question. With respect to policyholders who are struggling with payments, what we—what we would do is, you know, counsel the individual. They have the opportunity to lower their coverage, obviously, to save cost. I know that is not necessarily the best solution, but as individuals age, they may not have a need for a higher level of insurance coverage. Other than that, what we do is we operate the program, under the terms as dictated in Title 38, statute, and the regulations approved by the VA.

Mr. MCGARVEY. I will just ask you one more question, Mr. Chairman, if I can. One of the selling points of VA's Insurance programs that they offer better rates and better premiums than most private sector insurance. That is not true in every circumstance, is it?

Mr. BARNET. Generally speaking, with respect to, you know, what is available in the open market versus what the VGLI program represents, the again, with guaranteed issue coverage at time of separation for a servicemember, provided you apply within a 240-day window, there is no need to provide evidence of good health. What we have under the VGLI program is a mix of individuals who are healthy and a mix of individuals who may not be and would not be able to receive, you know, private insurance in the open market. It really is going to depend on the underlying insured whether or not they would be able to obtain those rates in the market.

Mr. MCGARVEY. Normally, I do not accept "it depends" as an answer, but in this particular instance, I know that it is a little bit complicated with how it does. I think what I want you to take away from my question, and hopefully what you have heard throughout today's testimony, we want to do everything we can to help our veterans. We want to do everything we can to—I think, it is an honor we made. We make our veterans two promises. All right? We make them a promise: we are going to be there for them. That promise is a legal promise, and, in my opinion, that promise is a moral promise, and I think we have to honor both of those.

Mr. Chairman, I yield back.

Mr. LUTTRELL. Thank you, Mr. McGarvey.

Mr. Barnet, how much does Prudential collect off the veteran community as opposed to they pay out each year?

Mr. BARNET. Thank you, Chairman, for that question.

Mr. LUTTRELL. You said that you are going to drop rates on someone who cannot make the payments. I am curious on how much money you guys make as opposed to how much you pay out.

Mr. BARNET. Yes, sir.

Mr. LUTTRELL. Would you actually have to take that money from the veterans if they are in need?

Mr. BARNET. Yes, yes. First thing, if I could just refer back to the last question. You know, premium rates are set by the Department of Veterans' Affairs. Prudential simply serves as administrator of those. With respect to VGLI, we would be providing the billing, you know, the recordkeeping and billing for those. We are not responsible and do not influence what those rates are.

With respect to—I am sorry, can you repeat your question?

Mr. LUTTRELL. How much do you guys collect?

Mr. BARNET. Oh, yes. Prudential receives premium under the contract. Right?

Mr. LUTTRELL. Which is how much?

Mr. BARNET. For premium, we receive about \$1.4 billion in premium.

Mr. LUTTRELL. \$1.4 billion each year is how much you guys collect?

Mr. BARNET. \$1.2–1.4 billion in premium.

Mr. LUTTRELL. How much goes out?

Mr. BARNET. \$1.2–1.4 billion.

Mr. LUTTRELL. You pay out? Every penny you bring in, you pay out each year?

Mr. BARNET. Yes, sir. For the way in which the program works under statute, is it needs to be self-sustaining. Right? That means the premiums need to be able to support the administrative expenses and the claims being paid under the program. It is defined by statute; it is a regulation.

Mr. LUTTRELL. All right. Administrative expenses aside—

Mr. BARNET. Okay.

Mr. LUTTRELL [continuing]. how much do you pay out to the spouses?

Mr. BARNET. To the beneficiaries?

Mr. LUTTRELL. Yes.

Mr. BARNET. Yes, approximately \$1.25 billion last year.

Mr. LUTTRELL. What do you pay your admin? Admin expenses aside, because if I understand how you just said that, you take in \$1.2 billion and you pay out \$1.2 billion. Aside of admin costs, how much go to the beneficiaries?

Mr. BARNET. \$1.4—

Mr. LUTTRELL. Do you pay your admin staff \$1 billion, and you pay the spouses \$2—

Mr. BARNET. No.

Mr. LUTTRELL [continuing]. \$ 2million?

Mr. BARNET. No, the claims—

Mr. LUTTRELL. I am just throwing that at you. I know it is not the case.

Mr. BARNET. Out the door is the claims being paid is \$1.2 billion.

Mr. LUTTRELL. Claims being paid—

Mr. BARNET. Yes.

Mr. LUTTRELL [continuing]. is \$1.2 billion?

Mr. BARNET. Yes. If I could? Premiums come in, claims get paid out, administrative expenses get paid out. In the instance that there is a net gain in that situation, that money is retained by the program and held under a reserve under the group policy to protect against adverse mortality in the future. That means if there was a situation where all of a sudden, death claims——

Mr. LUTTRELL. Skyrocketed.

Mr. BARNET. Yes.

Mr. LUTTRELL. Okay. Still trying to do the math on \$1.2 is taken in, \$1.2 is given to the beneficiaries, and I am trying to figure out where the admin money is.

Mr. BARNET. Oh, so Prudential—yes. One other thing is, right, so Prudential, in taking in this premium and holding this money in reserves, we do invest those funds within Prudential. We are subject to regulatory oversight by the New Jersey Department of Banking and Insurance, again, under strict insurance regulations, with the VA approving how returns are reflected through the crediting rate. At the beginning of every policy year, Prudential declares a crediting rate for the reserves held under the group policy, and then that is applied to the reserves that are being held.

Mr. LUTTRELL. Seems like I need to take a deeper dive on this. Does Prudential—I am assuming you guys are aware of each beneficiary in the program, correct? Their names on your books and how much is going out, correct?

Mr. BARNET. Yes.

Mr. LUTTRELL. All right, here is my question. The VA is a very large machine.

Mr. BARNET. All right.

Mr. LUTTRELL. Please do not take away what happened earlier today. It is normally not the case, but when they warrant the wire brushing, they will absolutely get it from the Ranking Member and I. Okay? As large as this machine is, and Ms. Sipes even hit on this, communication to each beneficiary is very challenging. Does Prudential engage in communications or is all communications to the beneficiaries done by, with, and through the VA only?

Mr. BARNET. This would be through Prudential.

Mr. LUTTRELL. It will be?

Mr. BARNET. It is through Prudential.

Mr. LUTTRELL. You are the one reaching out to all the beneficiaries, not the VA?

Mr. BARNET. Correct.

Mr. LUTTRELL. Then you are the problem.

Mr. BARNET. With respect to?

Mr. LUTTRELL. Well, the lovely young lady sitting next to you says that the beneficiary is receiving—receiving information is not adequate. If it is not adequate, it is got to be coming from you guys, which you just said it was. Now my conversation is directed at you, not the VA.

Mr. BARNET. I did not hear that specific to the Life Insurance programs.

Mr. LUTTRELL. Did I miss something?

Mr. BARNET. What was it?

Mrs. SIPES. Specific to the—the—my apologies. To the——

Mr. LUTTRELL. No, you are good.

Mrs. SIPES. Insurance programs in regards to options available for

Mr. BARNET. Oh.

Mrs. SIPES [continuing]. investments within the 1 year after their loss.

Mr. BARNET. Yes. What Prudential does is, right, we will provide a Beneficiary Election Form to individuals. They are able to elect whether they receive that payment via Electronic Funds Transfer (EFT) or check. We do offer beneficiary financial counseling services to those individuals under the terms of the program. Again, this is all under the oversight of the VA. You know, it is a non-solicitous program that allows for 20 hours of financial counseling for individuals. We do send those under the oversight of the VA. I am not aware of—this is the first time I am hearing of that being an issue.

With respect to being able to place those funds into—

Mrs. SIPES. Like a Roth or something.

Mr. BARNET. Yes, a Roth.

Mrs. SIPES. Yes, yes.

Mr. BARNET. We are unable as Prudential to provide financial advice or solicit any type of products under the SGLI program.

Mr. LUTTRELL. I will come back to you, Mr. Barnet. Thank you.

Mr. BARNET. Sure thing.

Mr. LUTTRELL. Ms. Sipes, this is a request.

Mrs. SIPES. Mm-hmm.

Mr. LUTTRELL. The amount of information that you and the other young ladies and gentlemen in the room have, because again, you are on the receiving end of all this. As hard as the VA works—and they do. I will say that all day long. They do. The amount of information that they can kind of take in and process is coming from every direction, a thousand different directions from a thousand different issues. Okay.

How do we, to help the VA navigate these challenging waters, how do we get out in front of it, so to speak? How do we take all the information that you all have that is challenging for you all and put that in a place that the VA can either—either it may exist already, and they just need a little streamlining, or is there a way that we can provide that information to remove the problem entirely? By the time it shows up here, it is a problem. Do you have the ability to communicate with the VA openly, and are they listening?

Mrs. SIPES. They are listening. They are. I do believe they are. They are trying, and they are trying to find some solutions. However, I can tell you that if you asked everyone in this room, even on the—on if they receive a letter of benefits or not, you are going to have a different response.

Mr. LUTTRELL. Say it one more time?

Mrs. SIPES. That you are going to have a different response on surviving spouses on whether or not they receive annual benefits letters, on what is on that letter, on the communication that they receive from the VA. Having clear communication has been our most challenging. It really has been. The 1-year timeframe for folks to be able to invest funds, the SGLI, the Death Gratuity, there are

spouses that have not been able to do that within that 1-year time-frame. They did not even know it was available.

Mr. LUTTRELL. Mm-hmm.

Mrs. SIPES. We do have a—it is a communication——

Mr. LUTTRELL. How do we help the spouses that do not know that? Do not throw it back at the VA.

Mrs. SIPES. Right?

Mr. LUTTRELL. They are on there, they are going to—I got it. How else can we fix that problem? How else can we communicate to our servicemembers and the spouses to kind of, hey, front-load this issue? I am going to be dead 1 day. I know that.

Mrs. SIPES. Well, we have moved the Office recently of the Survivor's Assistance back to under the Secretary.

Mr. LUTTRELL. What is the best way to get that information to folks that do not get it on the World Wide Web?

Mrs. SIPES. They need to mail it.

Mr. LUTTRELL. They need to mail it, yes.

Mrs. SIPES. They need—the need to do a multi-communication. They need to do a digital and a mail. They need to get the information because there is not a lot of us.

Mr. LUTTRELL. You know, and we are transitioning into a generation that knows nothing but digital. It is our older veterans that are absent of that. I have had conversations with many folks, good, better, and different. How long do you wait to make the full transition, or do you go, put it in place, and do whatever you can to make sure that our World War II, Korea, Vietnam, and Gulf War veterans are taken care of? That is a very hard question to ask because, where we currently sit with the advancements in machine learning and artificial intelligence, everybody in this room has got a phone in your pocket. That is where we are going. We are there. We are not going. We are there. We are on, the VA, on a daily basis to say you need to upgrade and advance your Artificial Intelligence (AI) systems to take care of our veterans, and you leave a small segment of those—of those veterans behind because they do not—they do not touch the digital space.

Back to the question that asked you is like, how do we continue to do that? Now the VA will mail out as best they can, and touch those folks.

Mrs. SIPES. Rather than—rather than automatic, can they not have an opt-in? Can they not—can they not work alongside the rest of the world? How they choose to opt in to something electronic?

Mr. LUTTRELL. We are talking about a generation that is already—and we can do that with servicemembers that are entering into the VA space now. What about the ones that are—we got to, you know, then we would have to find them.

Mrs. SIPES. Right. Well, there is that, yes.

Mr. LUTTRELL. That is the challenging part.

You got anything?

Mr. MCGARVEY. Mr. Chairman, as usual, I appreciate your work and your advocacy in all these areas.

Ms. Sipes, I could not help but when thinking about some of the things you are talking about right now and these issues, as you said, Mr. Chairman, for the people, not just you, but all the people behind you and all the people who are not in this room, who I know

are working on this. You guys have a lot of really valuable insight and input to share. There is a Veterans, Family, Caregivers, and Survivors Advisory Committee within the VA. I just looked it up really quickly. From what I can tell online, it has not met since June 2024. Is that correct? Am I missing something there?

Mrs. SIPES. Well, I am not aware of it.

Mr. MCGARVEY. Okay. Do we know who was appointed to that committee?

Mrs. SIPES. We do not. I am sure that our—the office could tell us who that was, but—

Mr. MCGARVEY. Okay. I think that is a—we have that there for a reason. I think that is something we should also look into. Mr. Chairman, I yield back.

In closing, after being here and hearing some of the things we have heard today, I am actually—aside from the promise we have made to our veterans to honor their service, to honor their sacrifice, to be there for them after they have served us, to keep us safe and free—I am reminded actually of a quote I sometimes use from an old John Prine song: “It don’t make no sense that common sense don’t make no sense no more.” I think we could use a lot of common sense on some of these issues, Mr. Chairman.

When you have Gold Star spouses, they do not—they need to be treated as heroes and as parents, not as guardians and fiduciaries. When we have Gold Star spouses, they should be allowed to remarry without penalty of losing their benefits. When we have reports that are due to Congress by January 2026, and apparently, they are completed, reviewed, and cleared, we should know where they are and be able to see them and feel like we have a partnership, not a black hole in certain areas.

The commonsense thing to do is again to take care of our veterans. I think that is something that you will see us continue to do, and Mr. Chairman, something I appreciate your approach to these matters on, and look forward to working with you with.

Mr. LUTTRELL. Absolutely. Thank you, sir.

The VA staff is still with us, and your job is never supposed to be easy. I am saying that as a veteran. You get up every single morning and you show up to work, and it is a grind. You are never going to have the right answer. You are always going to make somebody upset. You keep showing up and you keep grinding. For that, you have my utmost respect. Thank you so much.

In this wonderful place that we live in, there has to be oversight. There has to be the hard questions. You have to field those questions because you touch the veterans directly. We hear from our veterans. You are the touch point. It will never be easy. If it is easy, you are in the wrong department. It is necessary. The Ranking Member and I have made an agreement when we got in this thing together that we would be unified on our efforts to hold the VA accountable for everything that our veterans are asking for. We will not stop because they deserve it.

To our Gold Star families that are in the room with us today, we pray for you every single day. I do not have the right answers. I do not have the perfect thing to say, and I never will. The weight that you carry every day and the things that you ask for are very warranted. No one will ever know that more so than you. Period.

Mr. McGarvey and I and the rest of the members in this subcommittee and on the main committee will do everything in our power to get you what you ask for, because we know you deserve. We do. That communication goes from us. It goes to the VA, goes to the secretaries, it goes to the president, it goes to the vice president, goes to everyone because there is no more chairs to asset in the United States of America than the veterans, service members, and their families. Period. We would not be sitting here today if it was not for you. I am no longer in the game of fist fighting, but I would argue that with anybody all day long.

This oversight hearing pulled out a lot of information that we are going to be paying attention to. Ms. Sipes, God bless you. Mr. Barnet, I am not going to ask you if you are the greatest insurance provider on the planet, because you have been doing this for over 60 years for our veterans. Obviously, you are doing something right. Okay?

Mr. McGarvey, that is all I have got. With that, this hearing is adjourned.

[Whereupon, at 2:52 p.m., the subcommittee was adjourned.]

A P P E N D I X

PREPARED STATEMENTS OF WITNESSES

Prepared Statement of Tim Sirhal

Chairman Luttrell, Ranking Member McGarvey, and other Members of the Subcommittee, thank you for inviting us to discuss the administration of the Department of Veterans Affairs (VA) Pension, Fiduciary, and Insurance programs within the Veterans Benefits Administration. Joining me is Ms. Jennifer Bover, Executive Director, Pension and Fiduciary Service, Veterans Benefits Administration. VA takes the protection of our most vulnerable beneficiaries very seriously, and we are grateful for the opportunity to share with the Subcommittee our commitment to safeguarding those served by these programs.

Pension Program

Pension is a tax-free, income-based monthly benefit paid to eligible Veterans or survivors of Veterans. Pension also considers non-service-connected disabilities for Veterans, net worth, wartime service, and in the case of survivors, dependency requirements. Pension payments are designed to supplement a beneficiary's income by helping with daily living expenses and improving overall quality of life.

Continued eligibility for Pension is regularly assessed to ensure the accurate payment of benefits. VA relies on Federal data sharing agreements and information reported by beneficiaries to ensure payment accuracy. Once benefits are approved, VA continues to use this information to adjust benefits in a timely manner and avoid overpayments.

VA is committed to working with beneficiaries to provide a better understanding of the Pension program. Specific efforts include improvements to forms, letters, and customer experience by providing an electronic submission method through VA.gov for certain claims. Over the past year, we have also made significant progress in modernizing and accelerating the processing of Pension claims. Since January 20, 2025, the average processing time for Veterans Pension claims and Survivors Pension claims has been reduced by 113 days and 99 days, respectively. As of March 31, 2026, it is currently taking approximately 57 days to complete a Veterans Pension claim and 73 days to complete a Survivors Pension claim.

Fiduciary Program

VA's Fiduciary Program protects over 104,300 Veterans and other beneficiaries who are unable to manage their own VA benefit payments because of injury, disease, advanced age, or being under the age of majority. VA protects these vulnerable beneficiaries by appointing and overseeing fiduciaries who manage a beneficiary's VA benefits. The VA Fiduciary Program has undergone significant modernization focused on expediting processes while ensuring the well-being of beneficiaries remains protected.

These modernization efforts include improvements to letters, technology, and overall customer experience. Examples include sending automated annual written contact letters to every beneficiary in the program to remind them of their rights and that a Fiduciary is managing their VA payments; the August 2020 release of the Fiduciary Accountings Submission Tool, which streamlines the review of financial documents; and the establishment of a dedicated Fiduciary Contact Center, which has handled all fiduciary-related calls since April 2024.

VALife Insurance

VA administers and provides oversight of several life insurance programs that provide financial security for Service members, Veterans, and their families. Programs that are open to new applicants include Servicemembers' Group Life Insurance (SGLI), Family Servicemembers' Group Life Insurance (FSGLI), Servicemembers' Group Life Insurance Traumatic Injury Protection (TSGLI), Veterans' Group Life Insurance (VGLI), and Veterans Affairs Life Insurance (VALife). Prudential administers SGLI, FSGLI, TSGLI, and VGLI under contract with VA.

VA administers all other insurance programs available to Veterans, including VALife.

Established under P.L. 116–315, VA launched VALife on January 1, 2023, as a guaranteed acceptance whole life insurance program for Veterans with service-connected disabilities aged 80 and under. The maximum amount of coverage per applicant was and remains at \$40,000, with lesser amounts available in \$10,000 increments.

VALife is a self-funded program for service-connected Veterans who may have difficulty obtaining commercial life insurance coverage due to their medical conditions. When implementing VALife, a key objective for VA was to provide a streamlined application process for Veterans. VALife applications take an average of 11 minutes to complete, and more than 90 percent of all applications are fully automated.

VA is proud to share that implementation of the VALife program has been a tremendous success. As of March 1, 2026, there are 78,053 active accounts totaling \$2.5 billion in coverage. On January 1, 2025, policyholders first became eligible to receive full coverage following their initial waiting period, and VA has paid out 269 such claims. While VA is always looking for ways to improve, customer satisfaction with VALife has been strong. According to VSignals, a survey and data analytics tool that collects and analyzes customer experience data and insights, VALife has an average survey score of 4.53/5 for new insurance applications, which means 82.6 percent of respondents are highly satisfied. Service recovery efforts have shown that Veterans who were not highly satisfied primarily indicated two primary concerns: that VA does not offer enough coverage, or that the cost of coverage was too high. In response, Insurance Service has focused on increasing education around the differences between whole life and term life coverage to help Veterans make informed decisions.

Conclusion

Chairman Luttrell, Ranking Member McGarvey, and Members of the Subcommittee, thank you for your oversight of these critical programs and for the opportunity to testify today. I look forward to your questions.

Prepared Statement of Tamra Sipes

Chairman Luttrell, Ranking Member McGarvey, and distinguished members of the Subcommittee, thank you for the opportunity to testify today on behalf of the members of Gold Star Spouses of America.

Gold Star Spouses of America, Inc. (GSSA) represents surviving spouses of our Nation's fallen servicemembers, individuals whose lives were permanently changed in service to this country. While their spouses wore the uniform, they carried the weight of service at home, and now carry the lifelong responsibility of preserving their legacy while rebuilding their own lives.

The programs administered by the Department of Veterans Affairs (VA) are the foundation of financial stability, access to resources, and, in many cases, a measure of whether a surviving spouse can move forward with dignity and security.

Surviving spouses often navigate grief, financial transition, and administrative requirements at the same time. They are too often left to navigate complex systems without clear guidance, timely information, or processes that reflect the realities of their lives. These are not administrative inconveniences; they directly affect the financial stability, access to benefits, and long-term security of surviving spouses.

GSSA remains committed to ensuring that surviving spouses receive not only the benefits they have earned, but also the clarity and support they deserve. We are proud to continue advocating for our top legislative priorities, including the Sharri Briley and Eric Edmundson Veterans Benefits Expansion Act (H.R. 6047), the Caring for Survivors Act (H.R. 2055 & S. 611), and the Love Lives On Act (H.R. 1004 & S. 410). As we do so, we appreciate the opportunity to share our perspective on key VA benefits that directly impact the lives of surviving spouses across the country.

Survivors Pension

GSSA members report ongoing confusion regarding the interplay between Dependency and Indemnity Compensation (DIC) and the Survivors Pension. While DIC is the primary benefit for our members, as it is predicated on a service-connected death, many survivors find themselves navigating the Survivors Pension program if service connection is denied or still being adjudicated.

The Survivors Pension is reserved for surviving spouses of wartime veterans whose deaths were not service-connected, provided their income falls below the Maximum Annual Pension Rate (MAPR). For a surviving spouse with no children, the MAPR, set by Congress, is currently \$11,699.¹ This threshold sits significantly below the 2026 Federal Poverty Level of \$15,960 for a single-person household,² effectively excluding thousands of survivors who are struggling financially but do not meet this restrictive definition of indigence.

As a result, surviving spouses often spend time completing applications only to learn that their income exceeds the eligibility threshold. Many describe the program as effectively requiring near-poverty to qualify, but this is not clearly communicated at the outset.

GSSA supports efforts to improve transparency in how eligibility is explained. Providing plain-language guidance, including examples of income thresholds and how countable income is calculated, would allow applicants to better assess eligibility before applying. GSSA also recognizes that the VA has taken steps to automatically consider applicants for both DIC and Survivors Pension. While this is a positive development, many survivors remain unaware that this review is taking place and would benefit from clearer communication about how their claims are being evaluated.

GSSA encourages Congress to examine whether the MAPR should be more closely aligned with the Federal Poverty Level to ensure that surviving spouses are not excluded from support despite clear financial need.

Outreach and Communication

While we appreciate the VA's shift toward "Digital First" communication, this overlooks a significant portion of GSSA's constituency. As of 2023, there are more than 350,000 surviving spouses receiving DIC or Pension benefits,³ a large percentage of whom are over the age of 65.

Data suggests that nearly 25 percent of seniors do not use the internet,⁴ meaning a digital-only notification strategy effectively disenfranchises nearly 90,000 survivors from receiving critical updates about their livelihood.

GSSA members have confirmed that many surviving spouses are not effectively reached through digital communication. Some do not have reliable access to online systems, while others are not comfortable navigating VA websites. As a result, survivors may not receive timely or complete information about available benefits or changes that affect them.

GSSA supports expanding the use of direct communication to survivors. For many surviving spouses, particularly those without reliable access to digital platforms, mailed correspondence remains the most dependable and sometimes only source of information about their benefits. The VA's annual benefits letter could provide a consistent point of contact and could be strengthened to include more detailed, survivor-focused information. Clear explanations of available benefits, eligibility requirements, and recent changes would help ensure that survivors are not left unaware of programs they have earned and may depend on for financial stability.

GSSA recommends that the VA adopt a multi-channel communication standard, ensuring that all critical benefit information is delivered through both digital and non-digital methods.

Gold Star Spouses of America also applauds the VA for its decision to return the Office of Survivors Assistance (OSA) to the Office of the Secretary. This long-overdue correction restores OSA to its intended role as a direct advisor to VA leadership on the needs of surviving spouses and dependents, as envisioned in the Veterans' Benefits Improvement Act of 2008. For years, surviving spouses have raised concerns about the marginalization of OSA within the VA's bureaucracy, which has limited its ability to advocate effectively on their behalf. Reestablishing OSA within the Secretary's office has strengthened accountability and created an opportunity to improve how information is communicated to survivors across the VA system.

Life Insurance Programs

¹U.S. Department of Veterans Affairs, *Survivors Pension Rate Tables*, effective December 1, 2025, <https://www.va.gov/pension/survivors-pension-rates/>.

²U.S. Department of Health and Human Services, "2026 Poverty Guidelines," Office of the Assistant Secretary for Planning and Evaluation, last modified January 2026, <https://aspe.hhs.gov/poverty-guidelines>.

³Veterans Benefits Administration, *Annual Benefits Report: Fiscal Year 2024* (Washington, DC: U.S. Department of Veterans Affairs, 2025), 10–12.

⁴Michelle Faverio, "Internet Use Climbs Among Older Adults," *Pew Research Center*, last modified May 2024, <https://www.pewresearch.org/internet/2024/05/internet-use-among-seniors/>.

GSSA members have also identified concerns related to beneficiary designations and structural differences between VA life insurance programs and civilian policies.

Many servicemembers and their families do not fully understand that life insurance beneficiary designations are separate from a will. A will does not override the named beneficiary. In some cases, servicemembers did not update their beneficiary designation after marriage, resulting in benefits being paid to a parent rather than a surviving spouse. Survivors often believed the will would control distribution, leading to more confusion and unintended outcomes that create financial hardship for spouses at a time when stability is most critical.

GSSA also has concerns regarding limited awareness of the tax-advantaged protections provided under the Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008. This law allows survivors to roll over death gratuity and SGLI payments into a Roth IRA or Coverdell Education Savings Account without being subject to standard contribution limits. However, this must be done within 1 year of receiving the funds.

Many survivors report they were never informed of this strictly enforced 12-month window. By the time they are able to focus on long-term financial planning, this opportunity for tax-free growth has often expired.

GSSA is exploring legislative options to extend or provide flexibility in the 1-year rollover window, recognizing the realities of grief and delayed financial decision-making. In the best interest of the survivor we recommend pursuing a policy that automatically directs the VA to provide the two options to a survivor prior to distribution of funds. They have a choice on whether the funds are put into a Roth IRA or into an Alliance account. This would ensure spouses can fully benefit from this unique tax-advantaged opportunity without requiring immediate action during their first year of profound loss.

Additionally, GSSA is concerned about the growing disparity between VA life insurance programs and private-sector standards, particularly regarding Waiver of Premium provisions.

In the private sector, approximately 85 percent of group life insurance plans include a provision where premiums are waived if the insured becomes totally disabled.⁵ Historically, the VA offered this through the Service-Disabled Veterans Insurance (S-DVI) program. However, with the sunset of S-DVI and the 2023 launch of VALife, this critical safety net has been eliminated for new enrollees.

Historically, the VA offered this through the S-DVI program, which waived all premiums for veterans deemed totally disabled. However, with the sunset of S-DVI and the 2023 launch of VALife, this critical safety net has been eliminated for new enrollees. VALife requires premiums from all veterans, regardless of the severity of their service-connected conditions.

Similarly, veterans transitioned to Veterans' Group Life Insurance (VGLI) find that no such waiver exists, nor has historically, regardless of a 100 percent P&T (Permanent and Total) disability rating. By removing or failing to include these waivers in modern programs like VALife and VGLI, the VA places a significant financial burden on the most severely disabled veterans and their surviving spouses at the exact moment their earning potential disappears.

Fiduciary Program

GSSA has significant concerns regarding recent actions related to the fiduciary program.

At the end of Fiscal Year 2024, the VA identified more than 3,000 beneficiary accounts that needed a fiduciary established and issued letters requiring such, so benefits could continue. Approximately 1,000 of those cases involved dependent children who were living with someone who was not receiving DIC. In many instances, the individuals with whom the children were living were actually biological parents who were not receiving DIC due to remarriage, essentially implying that upon remarriage, a biological parent becomes untrustworthy to manage his or her child's welfare and benefits.

Members have also reported challenges in meeting required timelines. In one case, a surviving spouse was given 30 days to complete all requirements, including interviews, approval, and establishment of a fiduciary account. Her financial institution indicated that the process would take approximately 5 weeks. She was informed that failure to meet the deadline could result in a determination of noncompliance and loss of benefits.

GSSA members understand the purpose of the VA fiduciary program and support the need for oversight when benefits are paid on behalf of a minor. However, con-

⁵ Bureau of Labor Statistics, "Employee Benefits in the United States—March 2025," news release no. USDL-25-1850, September 25, 2025, <https://www.bls.gov/news.release/pdf/ebs2.pdf>.

cerns arise in cases where biological parents who were previously recognized by the VA as competent beneficiaries while receiving DIC are suddenly subject to fiduciary requirements solely due to remarriage. These parents have been continuously responsible for the care and well-being of their children, and remarriage alone does not inherently change their capacity or trustworthiness.

The current process can be burdensome and, at times, feels misaligned with the lived reality of these families. GSSA does not seek to eliminate the VA's ability to provide oversight, but instead encourages a more streamlined and proportional approach for biological parents in these circumstances. Options such as a simplified fiduciary designation, reduced administrative requirements, or an annual certification process similar to existing Department of Defense verification practices would preserve accountability while reducing unnecessary barriers. A more efficient process may also reduce administrative workload for VA staff by limiting the need for extensive review and account establishment in cases that present low risk.

A more balanced approach would reinforce trust in surviving families, minimize administrative strain, and allow the VA to maintain appropriate safeguards without disrupting benefits or placing undue burden on those who have consistently acted in the best interest of their children.

GSSA supports clearer guidance regarding when fiduciary arrangements are required, how determinations are made, and what steps beneficiaries must take to comply. Additionally, we would support the development of a streamlined program for biological parents. Timelines should reflect the realities of financial institutions and administrative processing. When timelines do not align with real-world processes, surviving spouses risk being found noncompliant through no fault of their own and may face unnecessary disruption or loss of benefits.

Conclusion

Thank you again for the opportunity to provide testimony today and for your continued attention to the needs of surviving military families. The issues we have outlined are not isolated concerns; they represent systemic challenges that affect surviving spouses across the country.

For many of our members, these programs are essential. When communication is unclear, when timelines are unrealistic, or when eligibility requirements are difficult to understand, the result is not simply frustration; it can mean delayed benefits, financial instability, and unnecessary hardship during an already difficult chapter of life.

There are meaningful opportunities to improve these systems through clearer communication, more accessible processes, and thoughtful policy adjustments that better reflect the realities faced by surviving spouses.

Gold Star Spouses of America stands ready to work with this Subcommittee and the VA to advance solutions that strengthen these programs and ensure they serve survivors as intended.

We owe surviving spouses not only our gratitude, but our commitment to ensuring that the systems designed to support them are clear, fair, and responsive.

Gold Star Spouses of America, Inc.

Gold Star Spouses of America is a national nonprofit organization dedicated to supporting the surviving spouses of military service members and veterans who have made the ultimate sacrifice in defense of our country. Our mission is to provide meaningful support, advocacy, education, and a sense of community for Gold Star families. Through our programs, we work to ensure that the needs of these spouses and their families are heard, addressed, and prioritized by policymakers at the Federal, State, and local levels.

GSSA is listed as an approved resource in the National Resource Directory (NRD.gov). GSSA is also recognized by the Department of Veterans Affairs for volunteer opportunities within the department's Center for Development and Civic Engagement.

Prepared Statement of Joseph Barnet



Statement of Joseph Barnet

Vice President

The Prudential Insurance Company of America

Office of Servicemembers Group Life Insurance

U.S. House of Representatives

House Committee on Veterans' Affairs

Disability Assistance and Memorial Affairs Subcommittee

Examining VA Benefits: Pension and Fiduciary, and VA Life Insurance Options

April 21, 2026

Chairman Luttrell, Ranking Member McGarvey, and members of the Subcommittee, my name is Joe Barnet and I am Vice President of The Prudential Insurance Company of America, the Office of Servicemembers Group Life Insurance division. On behalf of Prudential, thank you for the opportunity to testify. Prudential is proud to serve as the administrator of the Servicemembers' Group Life Insurance programs—an important responsibility that reflects the trust placed in us to support service members, veterans, and their families.

Prudential

As our CEO Andy Sullivan—a veteran himself—often likes to say, Prudential got its humble start more than 150 years ago with a promise and a purpose: to help working families find peace of mind at a time when few protections existed, beginning with something as basic and human as burial insurance. Founded in 1875 in Newark, New Jersey, Prudential has remained focused on making lives better by solving the financial challenges of a changing world and being there for people in the moments that matter most.

While our business has evolved over generations, our purpose has remained constant. Today, Prudential,¹ through its global family of subsidiaries, serves more than 50 million customers, helping individuals, families, and institutions achieve financial security through insurance, retirement, and investment solutions. Those customers count on us to be there at critical moments in their lives—just as working families did when Prudential first opened its doors. That continuity between our origins and our role today shapes who we are and how we approach our responsibilities.

That same sense of responsibility extends to those who serve and protect the nation. Prudential has long supported the military community—from veterans and active-duty service members to their families, military spouses, and caregivers—whose stability and well-being are essential to family financial security and readiness. Our relationship with the military dates back to the early 1900s, including involvement at the founding of the American Legion, and has grown over time to encompass service members and veterans from all branches of the United States Armed Forces.

That commitment takes shape through a blend of philanthropy, business engagement, and employee support. From 2020 through April 6, 2026, The Prudential Foundation invested approximately \$9.7 million in organizations supporting veterans, service members, military

¹ Prudential Financial, Inc. is a holding company, and the products and services referenced in this testimony are provided by its regulated insurance subsidiary, The Prudential Insurance Company of America. References to customers reflect total subsidiary activities.

families, and survivors—advancing economic mobility, workforce transition, caregiving support, and veteran-led disaster response.

Prudential's support includes partnerships with organizations such as the Tragedy Assistance Program for Survivors (TAPS), which provides care and resources to families grieving the loss of a loved one from the military community; the Elizabeth Dole Foundation, supporting research and financial-wellness programming for military and veteran caregivers; and the GI Go Fund, which empowers veterans through homeownership and small-business support. Since 2019, more than 7,100 members of the military community have participated in Prudential-supported financial-wellness seminars, including programs delivered in partnership with the Department of Veterans Affairs.

Prudential also recognizes that service does not end with the uniform. As service members transition to civilian life, the company supports veterans, transitioning service members, military spouses, and caregivers as they navigate the next chapter through targeted employment, mentoring, fellowship, and career-development opportunities. These efforts include partnerships with organizations such as Hiring Our Heroes and internal networks like Prudential's VETNET business resource group. In recognition of the distinct challenges military spouses face, including frequent relocations and career disruption, Prudential also invests in initiatives focused on military spouse hiring, career placement, and professional advancement. Together, these programs reflect Prudential's belief that honoring service means standing with service members and their families during military service, and well beyond the transition to civilian life.

Servicemembers' Group Life Insurance Program

The Servicemembers' Group Life Insurance Program (SGLI) was established by Congress in 1965 to ensure that members of the uniformed services have access to affordable, guaranteed issue life insurance coverage, including during periods of war and heightened operational risk.² The Program was expanded to include Veterans' Group Life Insurance (VGLI) in 1974, to provide continuity of coverage for veterans. Since inception, Prudential has administered the SGLI Program in partnership with the Department of Veterans Affairs (VA), ensuring that statutory benefits—including those relating to VGLI coverage levels and premium administration—are delivered as Congress intended.

The SGLI Program currently provides life insurance protection to more than 5.1 million service members, their families, and veterans, with approximately \$1.25 trillion in coverage in force. Since inception, Prudential has paid more than \$35.2 billion in benefits to SGLI, FSGLI (Family Servicemembers' Group Life Insurance) and VGLI beneficiaries,

² Pub. L. No. 89-214, 79 Stat. 880 (1965) (codified as amended at 38 U.S.C. §§ 1965–1980B).

underscoring our role in delivering critical financial protection to military families across generations.

Under the statutory framework, SGLI is supervised by VA and structured as a group life insurance policy purchased by VA from a commercial insurer, rather than a program administered directly by the federal government.³ Section 1966 of Title 38 authorizes VA to select an insurer and establish an administrative office to carry out the program.⁴

Pursuant to this authority, VA has selected Prudential as the insurer, and Prudential administers the SGLI program through the Office of Servicemembers' Group Life Insurance (OSGLI), the administrative office established under VA regulation.⁵

Congress establishes the statutory requirements for the Program, and the Department of Veterans Affairs exercises its rulemaking authority to promulgate regulations governing program administration. Prudential administers the Program strictly in accordance with those statutory and regulatory requirements. This division of responsibilities is reflected throughout VA's implementing regulations, which govern matters such as enrollment, beneficiary designations, premium collection, claims processing, and payment of proceeds.⁶

Servicemembers' Group Life Insurance Coverage

SGLI provides automatic group term life insurance coverage to eligible service members, with separate dependent coverage available under the FSGLI provisions of the Program,⁷ with coverage amounts and premiums set by statute and regulation. Unless they elect otherwise in writing to reduce or decline coverage, service members are automatically enrolled at the maximum coverage level of \$500,000, an amount set by Congress. Premiums are established on a uniform per \$1,000 of coverage basis, with an additional flat charge of \$1.00 per month for traumatic injury protection, ensuring affordability and consistency across the force regardless of age, health status, or deployment risk. The program includes features such as continuation of coverage following separation, extensions for totally disabled service members, and traumatic injury protection, all as provided under federal law and VA regulations.⁸

Consistent with the statutory framework, Congress also provided enhanced protection for service members facing elevated operational risk. Section 612 of the John S. McCain

³ 38 U.S.C. §§ 1965–1966.

⁴ 38 U.S.C. § 1966.

⁵ 38 C.F.R. § 9.1(b).

⁶ 38 C.F.R. pt. 9.

⁷ Other than a dependent who is also a member of a uniformed service because such member is automatically insured. See 38 U.S.C. § 1967(a)(1)(A)(ii).

⁸ 38 U.S.C. §§ 1967–1970, 1977, 1980A; 38 C.F.R. §§ 9.2–9.6, 9.20–9.21.

National Defense Authorization Act for Fiscal Year 2019 amended Title 38 to require that service members deployed to designated combat theaters maintain maximum SGLI coverage. The statute further authorizes reimbursement of SGLI premiums for qualifying combat and designated duty assignments, eliminating out-of-pocket costs to the member during periods of deployment and reinforcing Congress's intent to ensure uninterrupted financial protection for service members and their families under conditions of increased risk.⁹

Notification and Claim Initiation

The uniformed services act as the official record keepers for SGLI coverage. Consistent with the statutory structure of the Program, OSGLI relies on the uniformed services Casualty Assistance Offices, as the official source of notification and Certification of Coverage for SGLI claims.

This certification confirms that SGLI coverage was in force at the time of death and identifies the applicable coverage amount, and it is required to initiate a SGLI claim. Upon receipt of the Certification of Coverage, OSGLI establishes a claim record and assigns the matter to a trained claims examiner. Any additional documentation necessary to adjudicate the claim, including beneficiary information, is then collected and verified as part of the claims review process.

Initial Review and Documentation

Upon establishment of the claim record, OSGLI conducts an initial review to confirm that required documentation is present and applies the terms of the Group Policy, Title 38 and applicable VA regulations, to determine benefit eligibility. Where documentation is missing—such as a death certificate or beneficiary information—OSGLI coordinates with the appropriate Branch of Service Casualty Assistance Office to obtain the necessary information, consistent with established procedures.

Adjudication and Payment

Once a claim is determined to be payable, meaning it is in good order—complete, accurate, and supported by all documentation and information required to issue payment—OSGLI issues payment in accordance with the beneficiary designation of record. Benefit amounts are based on the coverage in force at the time of death and are paid as a

⁹ 37 U.S.C. § 437.

single lump sum payment or, if elected by the insured prior to death or by the beneficiary at the time of claim submission, in 36 monthly installments, as outlined under Title 38.

OSGLI maintains service commitments to ensure that claims are paid promptly once all requirements are satisfied. These service standards are designed to provide timely financial support to beneficiaries during periods of loss, while maintaining appropriate controls, documentation, and quality review.

Beneficiary Communications and Support

Throughout the claims process, OSGLI communicates with the applicable Casualty Assistance Office or directly with beneficiaries as appropriate, responding to inquiries and requests for information and providing guidance on documentation and next steps. Claims-related communications are handled in accordance with applicable privacy and data protection requirements, and all actions taken on a claim are documented within OSGLI's claims management systems.

Enhanced Monitoring and Coordination for Certain SGLI Claims

In certain circumstances—such as when a service member's death occurs in a combat or operational theater, or when a single incident results in multiple fatalities—OSGLI applies enhanced monitoring and coordination to ensure claims are handled with appropriate care and attention.

In these situations, OSGLI implements additional internal tracking and works closely with the Department of Veterans Affairs to support prompt payment and to ensure VA has current information regarding claim status, including for purposes of congressional or constituent inquiries. While all SGLI claims are administered with care and diligence, this enhanced coordination reflects the unique circumstances and heightened sensitivity associated with these events.

Oversight

Claims administration is subject to multiple layers of oversight. OSGLI maintains detailed records of claim actions, which are subject to internal audit, VA oversight, and, where applicable, litigation discovery. Complaints and inquiries related to SGLI claims are logged, reviewed, and addressed in accordance with established procedures and timelines. Congressional inquiries are handled in coordination with VA, consistent with Prudential's administrative role.

Traumatic Servicemembers' Group Life Insurance

In addition to providing life insurance coverage, the SGLI Program provides traumatic injury protection through Traumatic Servicemembers' Group Life Insurance (TSGLI) a statutory benefit established to provide financial assistance to service members who are severely injured as the result of a traumatic event and suffer a qualifying loss while insured under SGLI.¹⁰ TSGLI is an automatic benefit for all service members covered by SGLI and does not require a separate election.

TSGLI is intended to provide short-term financial support to help service members and their families manage expenses associated with recovery and rehabilitation following a traumatic injury, whether the injury occurs on or off duty.¹¹

VA has statutory oversight of the TSGLI program and is responsible for issuing implementing regulations, policy guidance, and interpretive authority to ensure uniform administration of benefits across the Services.¹² The individual Branches of Service are responsible for adjudicating TSGLI claims, including verifying that a qualifying traumatic event occurred, confirming the covered loss, reviewing relevant medical and service records, and issuing approval or denial determinations in accordance with VA regulations.¹³ Prudential has no adjudicative role under TSGLI; its responsibilities are limited to timely payment of TSGLI benefits after a claim has been approved by the applicable Service.¹⁴

To qualify for a payment under TSGLI, a service member must have active SGLI coverage at the time of the traumatic event. Under VA regulations, TSGLI benefits are payable only when a traumatic injury results in a qualifying loss, which includes a covered scheduled loss and satisfaction of applicable timing, survival, and exclusion criteria.¹⁵ Statutory and regulatory requirements further provide that the traumatic injury must occur prior to separation from service, that the qualifying loss occur within two years of the traumatic event, and that the service member survives for at least seven full days following the injury.¹⁶

TSGLI provides a tax-free payment ranging from \$25,000 to \$100,000, depending on the nature and severity of the qualifying loss, as specified in VA's Schedule of Losses issued pursuant to regulation.¹⁷ Covered losses include, among others, amputations, paralysis,

¹⁰ 38 U.S.C. § 1980A; 38 C.F.R. § 9.20.

¹¹ 38 C.F.R. § 9.20(a)–(b).

¹² 38 U.S.C. § 1980A(a), (b); 38 U.S.C. § 501(a); 38 C.F.R. §§ 9.1, 9.20–9.24.

¹³ 38 U.S.C. § 1980A(e); 38 C.F.R. §§ 9.20(e), (g), 9.21.

¹⁴ 38 U.S.C. §§ 1966, 1980A(g); 38 C.F.R. § 9.20(f).

¹⁵ 38 C.F.R. § 9.20(b)–(c).

¹⁶ 38 U.S.C. § 1980A(b)(1)(A)–(C); 38 C.F.R. § 9.20(b)(1)–(3); 38 C.F.R. § 9.20(d)(3)–(4).

¹⁷ 38 U.S.C. § 1980A; 38 C.F.R. § 9.20(d).

loss of sight or hearing, severe burns, facial reconstruction, extended hospitalization, and the inability to perform activities of daily living due to traumatic injury.¹⁸

TSGLI coverage costs \$1 per month and remains in effect as long as the service member maintains SGLI coverage, even at reduced coverage levels.¹⁹

TSGLI serves as a separate, insurance-based benefit intended to provide immediate financial assistance following a traumatic injury, independent of longer-term disability determinations.²⁰

Veterans' Group Life Insurance Coverage

The Veterans' Group Life Insurance (VGLI) program was established by Congress in 1974 as part of the Veterans' Insurance Act of 1974 to provide continuity of life insurance coverage for service members transitioning from military to civilian life.²¹ The program allows eligible individuals to continue their life insurance coverage following separation from service. As with SGLI, the statutory framework governing VGLI is set forth in Title 38 of the United States Code, with VA being responsible for oversight and for issuing regulations to implement the program.²² Prudential's role is administrative—to carry out enrollment, premium administration, and claims processing in accordance with those statutory and regulatory requirements.

Under 38 U.S.C. § 1977, eligible veterans may convert SGLI to VGLI within one year and 120 days of separation. Veterans who apply within the first 240 days are eligible for coverage without evidence of insurability; applications submitted after that period but within the statutory deadline require evidence of good health.²³ VGLI premiums are established pursuant to statute and regulation and are based on the insured veteran's age and elected coverage amount, reflecting the renewable term structure of the program rather than individual underwriting.²⁴

As with SGLI, VGLI is supervised by VA and administered by Prudential through OSGLI pursuant to VA's statutory authority.²⁵

The regulations governing VGLI address eligibility, application timelines, premium payment and collection, renewability, beneficiary designations, claims adjudication, and payment of

¹⁸ 38 C.F.R. § 9.21.

¹⁹ 38 U.S.C. § 1969; 38 C.F.R. § 9.18.

²⁰ 38 U.S.C. § 1980A; 38 C.F.R. § 9.20.

²¹ Veterans' Insurance Act of 1974, Pub. L. No. 93-289, § 2, 88 Stat. 165 (1974) (codified at 38 U.S.C. § 1977).

²² 38 U.S.C. § 1977; 38 C.F.R. pt. 9.

²³ 38 U.S.C. § 1977.

²⁴ 38 U.S.C. § 1977; 38 C.F.R. §§ 9.5, 9.6.

²⁵ 38 U.S.C. §§ 1966, 1977; 38 C.F.R. § 9.1(b).

proceeds. These provisions are set forth primarily in VA's SGLI and VGLI regulations, which apply to both programs unless otherwise specified.²⁶

VGLI Outreach to Eligible Separating Service Members

As service members transition from active duty, OSGLI plays a central role in ensuring awareness of VGLI and the opportunity to maintain continuous life insurance coverage following separation from service. SGLI coverage continues for 120 days following separation, during which eligible service members may elect to convert their coverage to VGLI at the same coverage level, subject to statutory requirements.²⁷

To support informed and timely decision-making, OSGLI conducts outreach to separating service members to notify them of their right to convert SGLI coverage to VGLI within the statutory conversion period of one year and 120 days following separation.²⁸ This outreach emphasizes the importance of applying within the first 240 days, during which VGLI coverage is available on a guaranteed issue basis without evidence of good health, and highlights the risk of coverage gaps if action is not taken within prescribed timeframes.²⁹ Outreach efforts continue throughout the full eligibility window to reinforce statutory deadlines and enrollment requirements.

In addition, service members who separate with a qualifying VA or military disability rating receive information regarding the SGLI Disability Extension, which permits continued SGLI coverage for eligible members who are totally disabled at the time of separation.³⁰ Through these coordinated notifications, OSGLI helps ensure service members are informed of available options to preserve life insurance protection during and after the transition to civilian life.

OSGLI maintains a dedicated Customer Service Center to assist separating service members and veterans with questions regarding VGLI eligibility, enrollment deadlines, premium requirements, and coverage options. For veterans enrolled in the VGLI program, OSGLI provides ongoing customer support related to account maintenance, premium billing and payment matters, beneficiary designation updates, and overall policy status inquiries. The Customer Service Center also supports veterans seeking to increase coverage following initial enrollment, consistent with statutory and regulatory requirements, and assists beneficiaries with procedural guidance during the claim intake process, ensuring timely and accurate submission of required documentation. Through

²⁶ 38 C.F.R. §§ 9.1–9.9, 9.23.

²⁷ 38 U.S.C. § 1968(a); 38 U.S.C. § 1977(a); 38 C.F.R. § 9.2(c).

²⁸ 38 U.S.C. § 1977(a).

²⁹ 38 U.S.C. § 1977(a); 38 C.F.R. § 9.5(a).

³⁰ 38 U.S.C. § 1968(a).

individualized, direct customer service, OSGLI helps ensure that enrolled veterans and their beneficiaries are able to manage VGLI coverage and claims processes efficiently and in accordance with governing requirements.

Claim Initiation and Coverage Verification

Unlike SGLI, where claims are initiated following notification from a uniformed service Casualty Assistance Office, VGLI claims are initiated by the beneficiary or another authorized representative, because VGLI coverage is held by veterans after separation from service.

OSGLI serves as the record keeper for VGLI policies and maintains policy, billing, and beneficiary designation records throughout the life of the policy. When OSGLI receives a First Notice of Death or a completed claim submission, a claim record is established and assigned to a trained claim examiner.

Consistent with established claims adjudication procedures, OSGLI verifies that VGLI coverage was in force on the date of death, including confirmation that required premiums were paid and that the policy had not lapsed or terminated. In cases where a veteran's death occurs within 120 days from separation from service, OSGLI follows established procedures to determine whether the claim is payable under an applicable SGLI extension or under VGLI, ensuring that eligible benefits are paid in accordance with governing provisions.

Documentation and Claim Review

OSGLI conducts an initial review of each VGLI claim to confirm completeness and ensure that all required documentation has been received. Required documentation typically includes a completed claim form and a death certificate, as well as any additional documentation necessary to support payment to a designated beneficiary, such as estate or guardianship documentation, where applicable.

If documentation is incomplete, OSGLI notifies the beneficiary and establishes formal pending timelines. These timelines govern follow-up outreach and are designed to advance claims processing while ensuring that determinations are accurate and appropriately documented.

Where coverage was obtained or reinstated with medical underwriting, OSGLI evaluates whether a claim may be medically contestable under the terms of the policy and applicable regulations. Any such finding of medical contestability is reviewed and documented in accordance with established procedures.

Adjudication, Payment, and Beneficiary Support

Once a VGLI claim is determined to be payable, meaning it is in good order—complete, accurate, and supported by all documentation and information required to issue payment—OSGLI issues payment in accordance with the beneficiary designation of record. Benefit amounts are based on the coverage in force at the time of death and are paid as a single lump sum payment or, if elected by the insured prior to death or by the beneficiary at the time of claim submission, in 36 monthly installments, as outlined under Title 38.

OSGLI maintains service standards designed to support prompt payment of claims once complete, recognizing the importance of providing timely financial support to surviving family members.

Throughout the claims process, OSGLI communicates directly with beneficiaries, responds to inquiries, and provides information regarding required documentation, claim status, and next steps. All communications are conducted in compliance with applicable privacy and data protection requirements, and all claim actions are documented within OSGLI's claims management systems.

Oversight

VGLI claims administration is subject to multiple layers of oversight, including internal quality controls, VA supervision, and congressional oversight. Complaints or inquiries related to VGLI claims are logged, reviewed, and addressed in accordance with established procedures. Congressional inquiries are handled in coordination with VA, consistent with Prudential's administrative role.

Conclusion

In closing, Chairman Luttrell, Ranking Member McGarvey, and members of the Subcommittee, Prudential recognizes that administering SGLI, TSGLI, and VGLI is not simply an operational responsibility—it is a solemn trust. These programs exist to ensure that service members, veterans, and their families receive timely and reliable financial protection during moments of profound loss, injury, and transition. We take this responsibility seriously and approach it with the same sense of purpose that has guided Prudential for more than 150 years.

Through the Office of Servicemembers Group Life Insurance, we work every day to administer the SGLI Program in strict accordance with statute, regulation, and VA policy—while maintaining service standards designed to deliver benefits promptly, fairly, and with care for beneficiaries during some of the most difficult moments they will face. We deeply value our close partnership with the Department of Veterans Affairs in fulfilling these

promises to those who serve and the families who stand behind them. I look forward to answering any questions the Committee may have.

STATEMENTS FOR THE RECORD

Prepared Statement of Veterans of Foreign Wars of the United States

Chairman Luttrell, Ranking Member McGarvey, and members of the subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to testify on these vital benefits. These programs provide critical financial security during times of hardship and serve as an essential safety net, particularly for our most vulnerable veterans, service members, and their families.

The Department of Veterans Affairs (VA) administers several life insurance programs that serve active duty service members, veterans, and in certain cases their families. Due to service-connected disabilities, many veterans are either uninsurable in the commercial market or face prohibitively high premiums. In recognition of this reality, VA provides guaranteed acceptance life insurance options that ensure access to coverage regardless of health status.

The VFW supports the creation of Veterans Affairs Life Insurance (VALife) as a significant modernization of VA's life insurance offerings. This program provides guaranteed acceptance whole life coverage of up to \$40,000 available in \$10,000 increments for veterans with service-connected disabilities rated at zero percent or higher. VALife replaced Service-Disabled Veterans Insurance (S-DVI) and does not require proof of good health. There is no time limit to apply for veterans age 80 and under, while those age 81 and older must apply within 2 years of receiving a new service-connected disability rating. While the program represents meaningful progress in expanding access, the 2-year waiting period before full coverage takes effect remains a concern, particularly for veterans facing serious or terminal conditions.

Servicemembers' Group Life Insurance (SGLI) provides low-cost term coverage of up to \$500,000 for eligible service members. Upon separation, most service members receive 120 days of free coverage with an extension of up to 2 years available for those who are totally disabled. Family Servicemembers' Group Life Insurance (FSGLI) extends coverage to spouses and dependent children, ensuring that military families have access to essential financial protection.

Veterans may convert SGLI coverage to Veterans' Group Life Insurance (VGLI) to maintain continuous coverage after leaving service. However, this conversion is not automatic. Veterans must apply within 1 year and 120 days of separation. Those who apply within 240 days are not required to provide evidence of good health. After that period, they must provide proof of insurability.

While VGLI offers an important bridge to continued coverage, its premium structure presents a significant challenge. Premiums increase in 5-year age bands, resulting in substantial cost escalation over time. In some cases, these premiums may eventually exceed comparable private market options, forcing veterans to choose between affordability and continuity of coverage. Veterans' insurance needs do not always align with rigid enrollment deadlines. Many veterans are navigating the complex transition to civilian life, managing new disabilities, or pursuing VA disability compensation claims. Survivors of military sexual trauma in particular may delay filing claims for years, which can hinder awareness of eligibility for programs such as VALife. Access to life insurance benefits should not be constrained by arbitrary timelines that fail to account for these realities.

To improve these programs, the VFW recommends eliminating or extending the 240-day window for guaranteed VGLI enrollment without requiring evidence of good health, reducing or eliminating waiting periods for programs such as VALife, and modernizing premium structures to mitigate steep age-based increases. Alternative pricing models should be considered to ensure long-term affordability and sustainability for elderly veterans. Also, during Transition Assistance Program briefings, facilitators must emphasize the need for transitioning service members to fully understand the limits of their active duty insurance and take proactive steps to ensure continuous coverage throughout their transition.

Enhanced administrative oversight would also strengthen these programs. Routine audits of beneficiary records and improved data accuracy would help ensure timely and correct payment of claims. Survivors must be able to access benefits quickly and without unnecessary administrative burden, particularly during the immediate period following a veteran's death when financial needs are often most urgent.

In addition to life insurance programs, VA pension benefits serve as a critical safety net for low-income wartime veterans and their survivors. These means-tested benefits are designed to ensure a minimum level of income sufficient to meet basic needs, including housing and health care. However, the complexity of income and net worth determinations continues to create barriers to access. The VFW supports policies that promote clear and transparent income calculations, reasonable asset look-back periods, and consistent guidance regarding unreimbursed medical expenses and net worth thresholds.

Finally, the VFW strongly supports legislation to ensure that survivors receive the full final month of a veteran's pension, regardless of the date of death. This common-sense, modest, but meaningful reform would provide critical financial stability during a time of grief and help families cover immediate end-of-life expenses.

Chairman Luttrell, Ranking Member McGarvey, this concludes my testimony. Thank you for the opportunity to present the VFW's views on these important programs.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any Federal grants in Fiscal Year 2026, nor has it received any Federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.

Prepared Statement of Defense Credit Union Council



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April 20, 2026

The Honorable Morgan Luttrell
Chairman
Subcommittee on Disability Assistance and Memorial Affairs
House Committee on Veterans' Affairs
U.S. House of Representatives
364 Cannon House Office Building
Washington, DC 20515

The Honorable Morgan McGarvey
Ranking Member
Subcommittee on Disability Assistance and Memorial Affairs
House Committee on Veterans' Affairs
U.S. House of Representatives
364 Cannon House Office Building
Washington, DC 20515

Re: Statement for the Record for the April 21, 2026 Oversight Hearing, "Examining VA Benefits: Pension and Fiduciary, and VA Life Insurance Options"

Dear Chairman Luttrell and Ranking Member McGarvey:

On behalf of the Defense Credit Union Council (DCUC), thank you for convening the Subcommittee's April 21, 2026 oversight hearing on "Examining VA Benefits: Pension and Fiduciary, and VA Life Insurance Options." This is a timely and important review of programs that directly affect veterans' household stability, long-term planning, and financial security.

DCUC is the trusted resource for credit unions serving military and veteran communities and states that it represents more than 180 credit unions with more than 40 million memberships and more than \$525 billion in assets. Our member credit unions serve communities on or near hundreds of military installations and support servicemembers, veterans, survivors, and military families across the full military lifecycle. DCUC's own public resources reflect that mission: its *Armed Forces Financial Guide* is designed to support money management and financial planning from enlistment through separation or retirement, and its *Veterans Guide* is designed to help veterans and their families understand benefits and make sound financial decisions.

That lifecycle approach is directly relevant to this hearing. Decisions involving pension, fiduciary arrangements, and government life insurance do not occur in isolation. They affect monthly cash flow, emergency savings, caregiver planning, beneficiary protection, and the transition from military service into civilian life. DCUC has repeatedly emphasized that financial literacy is a lifelong necessity and that defense credit unions are uniquely positioned to provide financial counseling and services to transitioning military members and veteran households because they understand the realities of deployment, relocation, retirement, and post-service reintegration.

Credit unions also play an essential protective role for veterans and beneficiaries who may be vulnerable to exploitation. In recent advocacy, DCUC warned that older Americans, especially veterans and military retirees, are increasingly targeted by sophisticated scams and described how credit unions pair financial education with practical safeguards—what DCUC has called "fraud friction"—to help stop scams before funds are lost. DCUC has likewise highlighted that its member institutions serve people navigating retirement transitions, VA benefits, survivor benefits, and caregiving responsibilities, which are precisely the kinds of moments when poor information or predatory conduct can lead to lasting financial harm.

Serving Those Who Serve Our Country

One of the clearest illustrations of how credit unions can strengthen veteran outcomes is the Veterans Benefits Banking Program. As DCUC's public materials explain, participating institutions offer veterans a free checking account with no minimum balance when they bring a monthly VA monetary benefit deposit and may provide education and counseling to veterans who do not initially qualify to open an account. DCUC has urged continued collaboration with the VA on this work so that no veteran is left unbanked or financially isolated. In practical terms, that means a veteran's benefit can be linked not only to a safe deposit channel, but also to trusted counseling, lower-cost financial access, and early warning against fraud or financial instability.

In light of this hearing, DCUC respectfully recommends that the Subcommittee:

- Encourage VA to formalize structured partnerships with defense credit unions and other trusted community institutions to deliver plain-language education on pension, fiduciary, survivor, and government life-insurance options.
- Support modernization of federal and VA financial-literacy tools so they are mobile-friendly, interactive, accessible, and tailored to servicemembers, veterans, survivors, and older beneficiaries.
- Expand and strengthen safe-banking pathways such as the Veterans Benefits Banking Program so veterans receiving VA monetary benefits can access low-cost accounts and counseling without unnecessary barriers.
- Prioritize fraud-prevention and recovery measures for older veterans, survivors, caregivers, and beneficiaries, including stronger coordination between agencies and financial institutions and broader use of practical scam-interruption tools.
- Reinforce transition-era financial readiness by involving defense credit unions more fully in counseling that connects benefit choices to budgeting, debt management, savings, housing stability, and longer-term economic outcomes after service.

These recommendations are consistent with DCUC's longstanding position that financial readiness is mission readiness. They also reflect the practical reality that better benefits policy is not only about eligibility and administration; it is also about whether veterans and their families can safely receive, understand, plan around, and protect the resources and options they have earned through service.

DCUC would welcome the opportunity to contribute to this hearing record, provide supplemental testimony or technical assistance, and work with the Subcommittee on practical steps to strengthen financial literacy, financial planning, fraud prevention, and long-term outcomes for veterans and their families.

Thank you for your consideration and for your attention to these important issues.

If you have any questions or would like additional information, please contact me at Jason.Stverak@dcuc.org or 202.557.8528.

Sincerely,



Jason Stverak
Chief Advocacy Officer
DCUC