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[CHAPTER 728]

AN ACT

To amend certain provisions of the National Service Life Insurance Act of 1940, as amended, and for other purposes.

August 1, 1946
[H. R. 6371]
[Public Law 589]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 601 (f) of the National Service Life Insurance Act of 1940 is hereby amended effective as of October 8, 1940, to read as follows:

Insurance Act of 1946.
56 Stat. 659.
38 U. S. C., Supp. V, § 801 (f).
"Parent," "father," "mother."

"(f) The terms 'parent', 'father', and 'mother' include a father, mother, father through adoption, mother through adoption, persons who have stood in loco parentis to a member of the military or naval forces at any time prior to entry into active service for a period of not less than one year, and a stepparent, if designated as beneficiary by the insured."

Discontinuance of award, etc.

(b) The amendment made by subsection (a) of this section to section 601 (f) of the National Service Life Insurance Act of 1940, as amended, shall not be construed (1) to require the discontinuance, for any period prior to the first day of the third calendar month following receipt of claim by or on behalf of a person brought within the permitted class of beneficiaries by such amendment, of any insurance award made prior to the date of enactment of this Act, or (2) to require duplicate payments of benefits in any case.

54 Stat. 1009.
38 U. S. C. § 802 (c).

SEC. 2. Section 602 (c) of the National Service Life Insurance Act of 1940 is hereby amended effective as of October 8, 1940, to read as follows:

Reenlistment, etc.

"(c) (1) Any person upon reenlistment or reentrance into or reemployment in active service and before discharge or resignation therefrom and any person in the active service upon discharge to accept a commission and before resignation therefrom, shall be granted such insurance upon application therefor in writing (made within one hundred and twenty days following such reenlistment, reentrance, reemployment, or discharge to accept a commission), and upon payment of premiums and evidence satisfactory to the Administrator showing such person to be in good health at the time of such application.

Active service between Oct. 8, 1940 and Sept. 2, 1945.

Ante, p. 14.

"(2) Subject to the provisions of the first proviso under the caption 'Transfer of Appropriations' contained in title II of the First Supplemental Surplus Appropriation Rescission Act, 1946 (Public Law 301, Seventy-ninth Congress), any individual who has had active service between October 8, 1940, and September 2, 1945, both dates inclusive, shall be granted such insurance upon application therefor in writing and upon payment or authorization for deduction of premiums and evidence satisfactory to the Administrator showing such person to be in good health at the time of such application. In any case in which application for life or disability insurance or for reinstatement of such insurance is made prior to January 1, 1950, the Administrator shall not deny, for the purposes of this or any other section of this part, that the applicant is in good health because of any disability or disabilities, less than total in degree, resulting from or aggravated by such active service. In any case in which insurance is granted by reason of the immediately preceding sentence, the premiums paid on such insurance shall be credited directly to the national service life-insurance appropriation and any payments of benefits on such insurance shall be made directly from such appropriation. The maximum amount of insurance for which an individual is otherwise eligible to apply under this paragraph shall be decreased by the amount of any insurance which he may have surrendered for its cash-surrender value.

Application prior to Jan. 1, 1950.

Permanent disability, etc., in line of duty.

"(3) Any person in the active service between October 8, 1940, and September 2, 1945, both dates inclusive, who, while in such service, made application in writing for insurance while performing full military or naval duty, which application was denied solely on account of his condition of health, and the applicant thereafter shall have incurred a total and permanent disability in line of duty or died in line of duty, shall be deemed to have applied for and to have been granted such insurance as of the date of such application and such insurance shall be deemed to be or to have been continued in force to the date of death of such person. In any case in which insurance deemed to have been granted under this paragraph matures or has matured, there shall be deducted from the proceeds of such insurance the premiums payable thereon from the date of application to the date of incurrence of total and permanent disability in line of duty or to the date of death, if permanent and total disability was not incurred. Any payments on such insurance shall be made directly from the national service life insurance appropriation. The amount of insurance deemed to have been granted under this paragraph, when added to any other insurance in force under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or this part, shall not in the aggregate exceed $10,000."

38 Stat. 711; 43 Stat. 607.
38 U. S. C. §§ 287, 357, 502, 575, 421; Supp. V, § 434 *et seq.*
Ante, p. 526; *post*, p. 789.

SEC. 3. Section 602 (f) of the National Service Life Insurance Act of 1940 is hereby amended to read as follows:

54 Stat. 1009.
38 U. S. C. § 802 (f).
Issuance of insurance, etc.

"(f) Such insurance shall be issued upon the five year level premium term plan, with the privilege of conversion as of the date when any premium becomes or has become due, or exchange as of the date of the original policy, upon payment of the difference in reserve, at any time after such policy has been in effect for one year and within the term period, to policies of insurance upon the following plans: Ordinary life, twenty-payment life, thirty-payment life, twenty-year endowment, endowment at age sixty, and endowment at age sixty-five: *Provided*, That conversion to an endowment plan may not be made while the insured is totally disabled. All level premium term policies shall cease and terminate at the expiration of the term period. Provisions for cash, loan, paid-up, and extended values, dividends from gains and savings, refund of unearned premiums, and such other provisions as may be found to be reasonable and practicable may be provided for in the policy of insurance or from time to time by regulations promulgated by the Administrator."

Conversion to endowment plan.

54 Stat. 1010.
38 U. S. C. § 802 (g); Supp. V, § 802 (g).
Beneficiaries.

SEC. 4. Section 602 (g) of the National Service Life Insurance Act of 1940, as amended, is hereby amended by substituting a colon for the period at the end thereof and adding the following: "*Provided*, That the provisions of this subsection as to the restricted permitted class of beneficiaries shall not apply to any national service life-insurance policy maturing on or after the date of enactment of the Insurance Act of 1946."

54 Stat. 1010.
38 U. S. C. § 802 (h); Supp. V, § 802 (h).
Payments.

SEC. 5. (a) So much of subsection (h) of section 602 of the National Service Life Insurance Act of 1940, as amended, as precedes paragraph (3) thereof is hereby amended to read as follows:

"(h) Insurance maturing prior to the date of enactment of the Insurance Act of 1946 shall be payable in the following manner:

Beneficiary under 30.

"(1) If the beneficiary to whom payment is first made is under thirty years of age at the time of maturity, in two hundred and forty equal monthly installments: *Provided*, That the Administrator, under regulations to be promulgated by him, may include a provision in the insurance contract authorizing the insured or the beneficiary to elect in lieu of this mode of payment and prior to the commencement of payments, a refund life income in monthly installments payable for such period

Right of election.

certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of such beneficiary: *Provided further*, That in any case in which insurance benefit payments were commenced prior to September 30, 1944, the beneficiary, whether or not the first beneficiary, shall have the right to elect to receive a refund life income, as provided in such optional settlement, payable in monthly installments adjusted as of the date of the maturity of such policy, credit being allowed for payments previously made on the insurance. The right of election with respect to cases in which benefit payments were commenced prior to September 30, 1944, shall terminate two years after the date of enactment of the Insurance Act of 1946. The Administrator is directed to send, within one year after the date of enactment of the Insurance Act of 1946, to each beneficiary of insurance on which payments were commenced prior to September 30, 1944, a notice explaining the right of election. Any such notice shall be sent by registered mail addressed to the last known address of the addressee.

Notice to beneficiary.

"(2) If the beneficiary to whom payment is first made is thirty or more years of age at the time of maturity, in equal monthly installments for one hundred and twenty months certain, with such payments continuing during the remaining lifetime of such beneficiary: *Provided*, That the Administrator, under regulations to be promulgated by him, may include a provision in the insurance contract authorizing the insured or the beneficiary to elect, in lieu of this mode of payment and prior to the commencement of payments, a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of such beneficiary: *Provided further*, That such optional settlement shall not be available in any case in which such settlement would result in payments of installments over a shorter period than one hundred and twenty months: *Provided further*, That in any case in which insurance benefit payments were commenced prior to September 30, 1944, the beneficiary, whether or not the first beneficiary, shall have the right to elect to receive a refund life income, as provided in such optional settlement, payable in monthly installments adjusted as of the date of the maturity of such policy, credit being allowed for payments previously made on the insurance. The right of election with respect to cases in which benefit payments were commenced prior to September 30, 1944, shall terminate two years after the date of enactment of the Insurance Act of 1946. The Administrator is directed to send, within one year after the date of enactment of the Insurance Act of 1946, to each beneficiary of insurance on which payments were commenced prior to September 30, 1944, a notice explaining the right of election. Any such notice shall be sent by registered mail addressed to the last known address of the addressee."

Beneficiary 30 or older.

Right of election.

Notice to beneficiary.

(b) Subsections (i), (j), and (k) of section 602 of the National Service Life Insurance Act of 1940, as amended, are amended by adding at the end of each of such subsections the following: "The provisions of this subsection shall not be applicable to insurance maturing on or after the date of enactment of the Insurance Act of 1946."

Nonapplicability.

54 Stat. 1010.
38 U. S. C. § 802 (i), (j), (k); Supp. V, § 802 (j).

54 Stat. 1011.
38 U. S. C. § 802 (m); Supp. V, § 802 (m).

SEC. 6. Section 602 (m) of the National Service Life Insurance Act of 1940 is hereby amended, effective as of October 8, 1940, to read as follows:

Time and method of payment of premiums.

"(m) (1) The Administrator shall, by regulations, prescribe the time and method of payment of the premiums on such insurance, but payments of premiums in advance shall not be required for periods of more than one month each, and may at the election of the insured be deducted from his active-service pay or be otherwise made: *Provided*, That an amount equal to the first premium due under a national service life-insurance policy may be advanced from current appropriations for active service pay to any person in the active service in the Army, Navy, Marine Corps, or Coast Guard, which amount shall constitute a lien upon any service or other pay accruing to the person for whom such advance was made and shall be collected therefrom if not otherwise paid: *Provided further*, That no disbursing or certifying officer shall be responsible for any loss incurred by reason of the advance herein authorized: *And provided further*, That any amount so advanced in excess of available service or other pay shall constitute a lien on the policy within the provisions of section 5, Public Law Numbered 866, Seventy-sixth Congress, approved October 17, 1940.

Advance of first-premium amount.

54 Stat. 1195.
38 U. S. C. § 454a.
Deduction of premiums from service pay.

"(2) In any case in which the insured provided for the payment of premiums on his insurance by authorizing in writing the deduction of premiums from his service pay, such insurance shall be deemed not to have lapsed so long as he remained in active service prior to the date of enactment of the Insurance Act of 1946, notwithstanding the fact that deduction of premiums was discontinued because—

"(A) the insured was discharged to accept a commission; or

"(B) the insured was absent without leave, if restored to active duty; or

"(C) the insured was sentenced by court martial, if he was restored to active duty, required to engage in combat, or killed in combat.

In any case in which the insured under any insurance continued in force by the provisions of this paragraph died while such insurance was so continued in force, any premiums due on such insurance shall be deducted from the proceeds of the insurance. Any premiums deducted or collected on any such insurance shall be credited to the national service life insurance appropriation and any payments of benefits on any such insurance shall be made directly from such appropriation."

54 Stat. 1011.
38 U. S. C. § 802 (n); Supp. V, § 802 (n).
Waiver of premiums.

SEC. 7. Section 602 (n) of the National Service Life Insurance Act of 1940, as amended, is amended to read as follows:

"(n) Upon application by the insured and under such regulations as the Administrator may promulgate, payment of premiums on such insurance may be waived during the continuous total disability of the insured, which continues or has continued for six or more consecutive months, if such disability commenced (1) subsequent to the date of his application for insurance, (2) while the insurance was in force under premium-paying conditions, and (3) prior to the insured's sixtieth birthday: *Provided*, That upon application made within one year after the date of enactment of the Insurance Act of 1946 the Administrator shall grant waiver of any premium becoming due not more than five years prior to the date of enactment of such Act which may be waived under the foregoing provisions of this subsection: *Provided further*, That the Administrator, upon any application made subsequent to one year after the date of enactment of the Insurance Act of 1946, shall not grant waiver of any premium

becoming due more than one year prior to the receipt in the Veterans' Administration of application for the same, except as hereinafter provided. Any premiums paid for months during which waiver is effective shall be refunded. The Administrator shall provide by regulations for examination or reexamination of an insured claiming benefits under this subsection, and may deny benefits for failure to cooperate. In the event that it is found that an insured is no longer totally disabled, the waiver of premiums shall cease as of the date of such finding and the policy of insurance may be continued by payment of premiums as provided in said policy: *Provided further*, That in any case in which the Administrator finds that the insured's failure to make timely application for waiver of premiums or his failure to submit satisfactory evidence of the existence or continuance of total disability was due to circumstances beyond his control, the Administrator may grant waiver or continuance of waiver of premiums: *And provided further*, That in the event of death of the insured without filing application for waiver, the beneficiary, within one year after the death of the insured or the enactment of this amendment, whichever be the later, or, if the beneficiary be insane or a minor, within one year after removal of such legal disability, may file application for waiver with evidence of the insured's right to waiver under this section. Premium rates shall be calculated without charge for the cost of the waiver of premiums herein provided and no deduction from benefits otherwise payable shall be made on account thereof."

Refunds.
Examinations.
Insured no longer totally disabled.
Continuance of waiver.
Death of insured without filing application.

SEC. 8. Section 602 (p) of the National Service Life Insurance Act of 1940, as amended, is amended to read as follows:

"(p) Such insurance may be made effective, as specified in the application, not later than the first day of the calendar month following the date of application therefor, but the United States shall not be liable thereunder for death occurring prior to such effective date. Notwithstanding the foregoing provisions of this subsection, in any case in which prior to the date of enactment of the Insurance Act of 1946 application was made for insurance to become effective subsequent to the date of application and the applicant died in line of duty prior to the date such insurance was to become effective, the United States shall be liable to the same extent as it would have been if such insurance had been in force on the date of death of the applicant. Any payments of benefits made as a result of the enactment of the preceding sentence shall be made directly from the national service life insurance appropriation."

54 Stat. 1011.
38 U. S. C. § 802 (p).
Effective date of insurance.
Liability of U. S.

SEC. 9. Section 602 of the National Service Life Insurance Act of 1940, as amended, is hereby amended by adding at the end thereof the following new subsections:

"(t) Insurance maturing on or subsequent to the date of enactment of the Insurance Act of 1946 shall be payable in accordance with the following optional modes of settlement:

"(1) In one sum.

"(2) In equal monthly installments of from thirty-six to two hundred and forty in number, in multiples of twelve.

"(3) In equal monthly installments for one hundred and twenty months certain with such payments continuing during the remaining lifetime of the first beneficiary.

"(4) As a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face

54 Stat. 1009.
38 U. S. C. § 802; Supp. V, § 802.
Ante, p. 781 *et seq.*; *post*, p. 788.
Optional modes of settlement.

value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the first beneficiary: *Provided*, That such optional settlement shall not be available in any case in which such settlement would result in payments of installments over a shorter period than one hundred and twenty months.

Restriction.

Payment to beneficiary.

Unless the insured elects some other mode of settlement, the insurance shall be payable to the designated beneficiary or beneficiaries in thirty-six equal monthly installments. The first beneficiary may elect to receive payment under any option which provides for payment over a longer period of time than the option elected by the insured, or if no option be designated by the insured, in excess of thirty-six months. If the option selected requires payment to any one beneficiary of monthly installments of less than $10, the amount payable to such beneficiary shall be paid in such maximum number of monthly installments as are a multiple of twelve as will provide a monthly installment of not less than $10. If the present value of the amount payable at the time any person initially becomes entitled to payment thereof is not sufficient to pay at least twelve monthly installments of not less than $10 each, such amount shall be payable in one sum. Options (3) and (4) shall not be available if any firm, corporation, legal entity (including the estate of the insured), or trustee is beneficiary, or in any case in which an endowment contract matures by reason of the completion of the endowment period.

Installments less than $10.

Lump-sum settlement.

"(u) With respect to insurance maturing on or subsequent to the date of enactment of the Insurance Act of 1946, in any case in which the beneficiary is entitled to a lump-sum settlement but elects some other mode of settlement and dies before receiving all the benefits due and payable under such mode of settlement, the present value of the remaining unpaid amount shall be payable to the estate of the beneficiary; and in any case in which no beneficiary is designated by the insured, or the designated beneficiary does not survive the insured, or a designated beneficiary not entitled to choose a lump-sum settlement survives the insured, and dies before receiving all the benefits due and payable, the commuted value of the insurance remaining unpaid shall be paid in one sum to the estate of the insured: *Provided*, That in no event shall there be any payment to the estate of the insured or of the beneficiary of any sums unless it is shown that any sums paid will not escheat.

Total-disability provisions.

"(v) (1) The Administrator is hereby authorized and directed, upon application by the insured and proof of good health satisfactory to the Administrator and payment of such extra premium as the Administrator shall prescribe, to include in any national service life-insurance policy on the life of the insured provisions whereby an insured who is shown to have become totally disabled for a period of six consecutive months or more commencing after the date of such application and before attaining the age of sixty and while the payment of any premium is not in default, shall be paid monthly disability benefits from the first day of the seventh consecutive month of and during the continuance of such total disability of $5 for each $1,000 of such insurance in effect when such benefits become payable: *Provided*, That in any case in which the applicant while not totally disabled and prior to January 1, 1950, furnishes proof satisfactory to the Administrator that his inability to furnish proof of good health is the result of an actually service-incurred injury or disability, the requirement of proof of good health shall be waived, but in such case the extra premium for disability coverage paid by any such insured shall be credited directly to the

Waiver of requirement

national service life-insurance appropriation and any disability payments made to such insured shall be made directly from the national service life-insurance appropriation: *Provided further*, That policies containing additional provisions for the payment of disability benefits may be separately classified for the purpose of dividend distribution from otherwise similar policies not containing such benefit.

Separate classification of policies.

"(2) Whenever benefits under the total-disability provision authorized by section 602 (v) (1) hereof become, or have become, payable because of total disability of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Administrator of Veterans' Affairs, the liability shall be borne by the United States, and the Administrator is hereby authorized and directed to transfer from the national service life-insurance appropriation to the national service life-insurance fund from time to time any amounts which become, or have become, payable to the insured on account of such total disability, and to transfer from the national service life-insurance fund to the national service life-insurance appropriation the amount of the reserve held on account of the total-disability benefit. When a person receiving such payments on account of total disability recovers from such disability, and is then entitled to continue protection under the total-disability provision, the Administrator is hereby authorized and directed to transfer to the national service life-insurance fund a sum sufficient to set up the then required reserve on such total-disability benefit.

Transfer of funds.

"(w) Subject to the provisions of section 612 of the National Service Life Insurance Act of 1940, as amended, all contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issue, reinstatement, or conversion except for fraud, nonpayment of premium, or on the ground that the applicant was not a member of the military or naval forces of the United States.

Incontestability of policies.
54 Stat. 1013.
38 U. S. C. § 812.

"(x) When an optional mode of settlement of insurance heretofore or hereafter matured is available to a beneficiary who is a minor or incompetent, such option may be exercised by his fiduciary, person qualified under Public Law 373, Seventy-second Congress, February 25, 1933 (47 Stat. 907; 25 U. S. C. 14), or person recognized by the Administrator as having custody of the person or the estate of such beneficiary, and the obligation of the United States under the insurance contract shall be fully satisfied by payment of benefits in accordance with the mode of settlement so selected.

Minor or incompetent beneficiary.

"(y) (1) Any level premium term insurance which has lapsed may be reinstated within the term upon written application, payment of two monthly premiums, and evidence satisfactory to the Administrator that the applicant, subject to the provisions of the second sentence of section 602 (c) (2), supra, is in good health.

Reinstatement of insurance.

Ante, p. 781.

"(2) Any level premium term insurance which has lapsed may be reinstated within the term upon written application, made within six months after the date of such lapse or within six months after the date of enactment of the Insurance Act of 1946, whichever is the later, and payment of two monthly premiums, provided such applicant is in as good health on the date of application and tender of premiums as he was on the due date of the premium in default and furnishes evidence thereof satisfactory to the Administrator: *Provided*, That when the insured makes inquiry prior to the expiration of the grace period disclosing a clear intent to continue insurance protection, an additional reasonable period not exceeding sixty days may be granted for payment of premiums due, but the premiums in any such case must be paid during the lifetime of the insured."

Additional grace period.

54 Stat. 1009.
38 U. S. C. § 802; Supp. V, § 802.
Ante, p. 781 *et seq.*

SEC. 10. Section 602 of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, by adding at the end thereof the following new subsection:

Total disability.

"(z) Without prejudice to any other cause of disability, the permanent loss of the use of both feet, of both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the total loss of hearing of both ears, or the organic loss of speech, shall be deemed total disability for insurance purposes."

54 Stat. 1012.
38 U. S. C. § 807 (b).

SEC. 11. Section 607 (b) of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, by inserting after the first sentence thereof the following: "Where life contingencies are involved in the calculation of the value of such benefits of insurance heretofore or hereafter matured, the calculation of such liability or liabilities shall be based upon such mortality table or tables as the Administrator may prescribe with interest at the rate of 3 per centum per annum."

Calculation of liability.

54 Stat. 1012.
38 U. S. C. § 808.

SEC. 12. Section 608 of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, to read as follows:

Powers of Administrator.

"SEC. 608. The Administrator, subject to the general direction of the President, shall administer, execute, and enforce the provisions of this Act, shall have power to make such rules and regulations, not inconsistent with the provisions of this Act, as are necessary or appropriate to carry out its purposes, and shall decide all questions arising hereunder. All officers and employees of the Veterans' Administration shall perform such duties in connection with the administration of this Act as may be assigned to them by the Administrator. All official acts performed by such officers and employees designated therefor by the Administrator shall have the same force and effect as though performed by the Administrator. Except in the event of suit as provided in section 617 hereof, or other appropriate court proceedings, all decisions rendered by the Administrator under the provisions of this Act, or regulations properly issued pursuant thereto, shall be final and conclusive on all questions of law or fact, and no other official of the United States, except a judge or judges of United States courts, shall have jurisdiction to review any such decisions."

Infra.

54 Stat. 1014.
38 U. S. C. § 816.

SEC. 13. Section 616 of the National Service Life Insurance Act of 1940, as amended, is hereby amended by substituting a colon for the period at the end thereof and adding the following: "*Provided*, That assignments of all or any part of the beneficiary's interest may be made by a designated beneficiary to a widow, widower, child, father, mother, grandfather, grandmother, brother, or sister of the insured, when the designated contingent beneficiary, if any, joins the beneficiary in the assignment, and if the assignment is delivered to the Veterans' Administration before any payments of the insurance shall have been made to the beneficiary: *Provided further*, That an interest in an annuity, when assigned, shall be payable in equal monthly installments in such multiple of twelve as most nearly equals the number of installments certain under such annuity, or in two hundred and forty installments, whichever is the lesser."

Assignments of beneficiary's interest.

Payment of interest in annuity.

54 Stat. 1014.
38 U. S. C. § 817; Supp. V, § 817.

SEC. 14. Section 617 of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, to read as follows:

Suits.

"SEC. 617. In the event of disagreement as to any claim arising under this Act, suit may be brought in the same manner and subject to the same conditions and limitations as are applicable to the

United States Government life (converted) insurance under the provisions of sections 19 and 500 of the World War Veterans' Act, 1924, as amended."

43 Stat. 612, 628. 38 U. S. C. §§ 445, 551.

SEC. 15. The World War Veterans' Act, 1924, as amended, is hereby amended by adding thereto a new section 313, to read as follows:

43 Stat. 607. 38 U. S. C. § 421; Supp. V, § 434 *et seq.* *Ante*, p. 526.

"SEC. 313. Whenever benefits under the total disability provision authorized by section 311 become, or have become, payable because of total disability of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Administrator of Veterans' Affairs, the liability shall be borne by the United States, and the Administrator is hereby authorized and directed to transfer from the military and naval insurance appropriation to the United States Government life insurance fund from time to time any amounts which become or have become payable to the insured on account of such total disability, and to transfer from the United States Government life insurance fund to the military and naval insurance appropriation the amount of the reserve held on account of the total disability benefit. When a person receiving such payments on account of total disability recovers from such disability, and is then entitled to continued protection under the total disability provision, the Administrator is hereby authorized and directed to transfer to the United States Government life insurance fund a sum sufficient to set up the then required reserve on such total disability benefit."

Transfer of funds. 45 Stat. 970. 38 U. S. C. § 512b.

SEC. 16. This Act may be cited as the "Insurance Act of 1946".

Short title.

Approved August 1, 1946.

[CHAPTER 729]

AN ACT

To establish the Office of Under Secretary of State for Economic Affairs.

August 1, 1946 [H. R. 6646] [Public Law 590]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established in the Department of State for a period of two years following the enactment and approval of this legislation by the President, the Office of Under Secretary of State for Economic Affairs, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. The Under Secretary of State for Economic Affairs shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of State. The Under Secretary of State for Economic Affairs shall serve subject to the direction of the Secretary of State and the Under Secretary of State.

Department of State. Under Secretary of State for Economic Affairs.

Approved August 1, 1946.

[CHAPTER 735]

AN ACT

To make it a criminal offense for certain escaped convicts to travel from one State to another.

August 2, 1946 [S. 496] [Public Law 591]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act making it unlawful for any person to flee from one State to another for the purpose of avoiding prosecution or the giving of testimony in certain cases", approved May 18, 1934 (48 Stat. 782; 18 U. S. C. 408e), be, and it hereby is, amended to read as follows:

Fugitive Felon Act, amendment.

"That it shall be unlawful for any person to move or travel in interstate or foreign commerce from any State, Territory, or possession of