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Camp Phillips Military Reservation, Kans.

SEC. 307. The Administrator of Veterans' Affairs is hereby authorized and directed to transfer, without exchange of funds, to the Department of the Air Force that land in section 19, township 15 south, range 3 west, and section 24, township 15 south, range 4 west, of the sixth principal base and meridian, Kansas, formerly utilized by the Department of the Army as a part of Camp Phillips Military Reservation, Kansas, for a warehouse and industrial area, a sewage disposal area and a drainage ditch designated as number 2, together with all Government-owned water lines, now under the control and jurisdiction of the Veterans' Administration.

Oahu Cemetery Association, T. H.

SEC. 308. The Secretary of the Navy is hereby authorized to sell to the Oahu Cemetery Association, Honolulu, Oahu, Territory of Hawaii, a parcel of land containing twenty-two thousand four hundred and nine square feet and known as lots numbered V–3 and numbered V–5, section 15, in Nuuanu Cemetery, Honolulu, Oahu, Territory of Hawaii, for the sum of $44,818, this being the same property acquired by the United States from the said association by deed dated May 21, 1942, for the sum of $44,818.

Approved July 11, 1950.

[CHAPTER 457]

AN ACT

July 12, 1950
[H. R. 4394]
[Public Law 607]

To amend sections 10, 11, and 12 of chapter V of the Act of June 19, 1934, as amended, entitled "An Act to regulate the business of life insurance in the District of Columbia".

Life insurance, D. C.

48 Stat. 1164.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of chapter V of the Act of June 19, 1934, entitled "An Act to regulate the business of life insurance in the District of Columbia", as amended (D. C. Code, 1940 edition, sec. 35–710), be amended to read as follows:

Conformity of policies to descriptions.

"SEC. 10. GROUP LIFE INSURANCE.—No policy of group life insurance shall be delivered in the District unless it conforms to one of the following descriptions:

Policy issued to employer.

"(1) A policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustee shall be deemed the policyholder, to insure employees of the employer for the benefit of persons other than the employer, subject to the following requirements:

"(a) The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term 'employees' shall include the employees of one or more subsidiary corporations, and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietors, or partnerships if the business of the employer and of such affiliated corporations, proprietors, or partnerships is under common control through stock ownership or contract. The policy may provide that the term 'employees' shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term 'employees' shall include retired employees. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership.

"(b) The premium for the policy shall be paid by the policyholder, either wholly from the employer's funds or funds contributed by him, or partly from such funds and partly from funds contributed by the insured employees. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured employees. A policy on which part of the premium is to be derived from funds contributed by the insured employees may be placed in force only if at least 75 per centum of the then eligible employees, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employees must insure all eligible employees, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer. Payment of premium.

"(c) The policy must cover at least twenty-five employees at date of issue. Coverage.

"(d) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employees or by the employer or trustees. No policy may be issued which provides term insurance on any employee which together with any other term insurance under any group life-insurance policy or policies issued to the employers or any of them or to the trustees of a fund established in whole or in part by the employers or any of them exceeds $20,000. Basis of amounts of insurance.

"(2) A policy issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements: Policy issued to creditor.

"(a) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor whose indebtedness is repayable in installments, or all of any class or classes thereof determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. The policy may provide that the term 'debtors' shall include the debtors of one or more subsidiary corporations, and the debtors of one or more affiliated corporations, proprietors, or partnerships if the business of the policyholder and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise.

"(b) The premium for the policy shall be paid by the policyholder, either from the creditor's funds, or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of individual insurability unless at least 75 per centum of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer. Payment of premium.

"(c) The policy may be issued only if the group of eligible debtors is then receiving new entrants at the rate of at least one hundred persons yearly, or may reasonably be expected to receive at least one hundred new entrants during the first policy year, and only if the policy reserves to the insurer the right to require evidence of individual insurability if less than 75 per centum of the new entrants become insured. New entrants.

"(d) The amount of insurance on the life of any debtor shall at no time exceed the amount owed by him which is repayable in installments to the creditor, or $5,000, whichever is less. Amount of insurance.

"(e) The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment.

Policy issued to labor union.

"(3) A policy issued to a labor union, which shall be deemed the policyholder, to insure members of such union for the benefit of persons other than the union or any of its officials, representatives or agents, subject to the following requirements:

"(a) The members eligible for insurance under the policy shall be all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the union, or both.

Payment of premium.

"(b) The premium for the policy shall be paid by the policyholder, either wholly from the union's funds, or partly from such funds and partly from funds contributed by the insured members specifically for their insurance. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which part of the premium is to be derived from funds contributed by the insured members specifically for their insurance may be placed in force only if at least 75 per centum of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

Coverage.

"(c) The policy must cover at least twenty-five members at date of issue.

Basis of amounts of insurance.

"(d) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the union. No policy may be issued which provides term insurance on any union member which together with any other term insurance under any group life insurance policies issued to the union exceeds $20,000.

Policy issued to trustees.

"(4) A policy issued to the trustees of a fund established by two or more employers in the same industry or by one or more labor unions, or by one or more employers and one or more labor unions, which trustees shall be deemed the policy holder, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions, subject to the following requirements:

"(a) The persons eligible for insurance shall be all of the employees of the employers or all of the members of the unions, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the unions, or to both. The policy may provide that the term 'employees' shall include the individual proprietor or partners if an employer is an individual proprietor or a partnership. The policy may provide that the term 'employees' shall include retired employees. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. The policy may provide that the term 'employees' shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship.

"(b) The premium for the policy shall be paid by the trustees wholly from funds contributed by the employer or employers of the insured persons, or by the union or unions, or by both. No policy may be issued on which any part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance. The policy must insure all eligible persons, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer. Payment of premium.

"(c) The policy must cover at date of issue at least one hundred persons and not less than an average of five persons per employer unit; and if the fund is established by the members of an association of employers the policy may be issued only if (i) either (a) the participating employers constitute at date of issue at least 60 per centum of those employer members whose employees are not already covered for group life insurance or (b) the total number of persons covered at date of issue exceeds six hundred; and (ii) the policy shall not require that, if a participating employer discontinues membership in the association, the insurance of his employees shall cease solely by reason of such discontinuance. Coverage.

"(d) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers, or unions. No policy may be issued which provides term insurance on any person which together with any other term insurance under any group life-insurance policy or policies issued to the employers, or any of them, or to the trustees of a fund established in whole or in part by the employers, or any of them, exceeds $20,000. Basis of amounts of insurance.

"(5) A policy issued to the president of the Board of Commissioners, or to the head of any Federal department or independent Federal bureau, board, commission, or other Federal independent establishment, or to an association of Federal employees, as the case may be, covering not less than fifty employees of the government of the District or of the Federal Government, with or without medical examination, the premium on which is to be paid by the employees and insuring only employees, or any class or classes thereof determined by conditions pertaining to the employment, for amounts of insurance based upon some plan which will preclude individual selection, for the benefit of persons other than the employer: *Provided*, That when the benefits of the policy are offered to all eligible employees, not less than 75 per centum of such employees may be so insured." Policy issued to governmental head.

SEC. 2. That section 11 of chapter V of said Act, as amended (D. C. Code, 1940 edition, sec. 35–711), be amended to read as follows: 48 Stat. 1165.

"SEC. 11. STANDARD PROVISIONS FOR POLICIES OF GROUP LIFE INSURANCE.—No policy of group life insurance shall be delivered in the District unless it contains in substance the following provisions, or provisions which in the opinion of the Superintendent are more favorable to the persons insured, or at least as favorable to the persons insured and more favorable to the policyholder: *Provided, however*, (a) That provisions (6) to (10), inclusive, shall not apply to policies issued to a creditor to insure debtors of such creditor; (b) that the standard provisions required for individual life-insurance policies shall not apply to group life-insurance policies; and (c) that if the group life-insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the Superintendent is or are equitable to the insured persons and to the policyholder, but nothing herein shall be construed to require that group life-insurance policies contain the same nonforfeiture provisions as are required for individual life-insurance policies:

"(1) A provision that the policyholder is entitled to a grace period Grace period.

of thirty-one days for the payment of any premium due except the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder shall have given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for the time the policy was in force during such grace period.

Validity.

"(2) A provision that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for two years from its date of issue; and that no statement made by any person insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two years during such person's lifetime nor unless it is contained in a written instrument signed by him.

"(3) A provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued, that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to his beneficiary.

"(4) A provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage.

"(5) A provision specifying an equitable adjustment of premiums or of benefits or of both to be made in the event the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used.

"(6) A provision that any sum becoming due by reason of the death of the person insured shall be payable to the beneficiary designated by the person insured, subject to the provisions of the policy in the event there is no designated beneficiary as to all or any part of such sum living at the death of the person insured, and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay at its option a part of such sum not exceeding $250 to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the person insured.

Individual certificate.

"(7) A provision that the insurer will issue to the policyholder for delivery to each person insured an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom the insurance benefits are payable, and the rights and conditions set forth in (8), (9), and (10) following.

Issuance of individual policy.

"(8) A provision that if the insurance, or any portion of it, on a person covered under the policy ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such person shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one days after such termination: *And provided further*, That—

"(a) the individual policy shall, at the option of such person, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;

"(b) the individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination, provided that any amount of insurance which shall have matured on or before the date of such termination as an endowment payable to the person insured, whether in one sum or in installments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination; and

"(c) the premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such person then belongs, and to his age attained on the effective date of the individual policy.

"(9) A provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured persons, every person insured thereunder at the date of such termination whose insurance terminates and who has been so insured for at least five years prior to such termination date shall be entitled to have issued to him by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by (8) above, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of (a) the amount of the person's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one days after such termination, and (b) $2,000.

"(10) A provision that if a person insured under the group policy dies during the period within which he would have been entitled to have an individual policy issued to him in accordance with (8) or (9) above and before such an individual policy shall have become effective, the amount of life insurance which he would have been entitled to have issued to him under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

"SEC. 11. (a) NOTICE TO INDIVIDUAL INSURED UNDER GROUP LIFE-INSURANCE POLICY.—If any individual insured under a group life-insurance policy hereafter delivered in the District becomes entitled under the terms of such policy to have an individual policy of life insurance issued to him without evidence of insurability, subject to making of application and payment of the first premium within the period specified in such policy, and if such individual is not given notice of the existence of such right at least fifteen days prior to the expiration date of such period, then, in such event, the individual shall have an additional period within which to exercise such right, but nothing herein contained shall be construed to continue any insurance beyond the period provided in such policy. This additional period shall expire fifteen days next after the individual is given such notice but in no event shall such additional period extend beyond sixty days next after the expiration date of the period provided in such policy. Written notice presented to the individual or mailed by the policyholder to the last-known address of the individual or mailed by the insurer to the last-known address of the individual as furnished by the policyholder shall constitute notice for the purpose of this paragraph.

"Except as provided in this chapter it shall be unlawful to make a contract of life insurance for a group in the District."

SEC. 3. That subsection (k) (1) of section 12 of chapter V of said Act, as amended (D. C. Code, 1940 edition, sec. 35–712), be amended to read as follows: 48 Stat. 1173.

Nonapplicability.

"(k) (1) Nothing in this section, however, shall apply to or affect any policy of group accident, group health, or group accident and health insurance."

Approved July 12, 1950.

[CHAPTER 459]

JOINT RESOLUTION

July 12, 1950
[S. J. Res. 180]
[Public Law 608]

To suspend until December 31, 1950, the application of certain Federal laws with respect to attorneys employed by the Subcommittee on Labor-Management Relations of the Senate Committee on Labor and Public Welfare in connection with the study and investigation ordered by S. Res. 140, Eighty-first Congress.

Senate Committee on Labor and Public Welfare, employment of attorney.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That service or employment of one person as an attorney on a temporary basis prior to December 31, 1950, to assist the Senate Committee on Labor and Public Welfare or its duly authorized Subcommittee on Labor-Management Relations in the investigation ordered by S. Res. 140, agreed to August 15, 1949, and S. Res. 217, agreed to February 1, 1950, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284, of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of service, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

62 Stat. 697, 698.
18 U. S. C., Sup. III, §§ 281, 283, 284.

Approved July 12, 1950.

[CHAPTER 460]

AN ACT

July 12, 1950
[S. 3876]
[Public Law 609]

To provide free postage for members of the Armed Forces of the United States in specified areas.

Armed Forces. Free mailing privileges.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by a member of the Armed Forces of the United States, while on active duty or in the active service of the Armed Forces of the United States in Korea and such other areas as the President of the United States may hereafter designate as combat zones or theaters of military operations, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General may prescribe: *Provided*, That, when specified by the sender, letters weighing not to exceed one ounce shall be transmitted to destination by air mail, dependent upon air space availability therefor.

Effective date.

SEC. 2. The free mailing privileges above granted shall become effective upon the date of enactment of this Act and shall continue until June 30, 1951, unless terminated at an earlier date by concurrent resolution of the Congress, or by direction of the President.

Approved July 12, 1950.

[CHAPTER 461]

AN ACT

July 13, 1950
[S. 2596]
[Public Law 610]

Relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, Seventy-eighth Congress, June 22, 1944).

Veterans' Education and Training Amendments of 1950.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 9