active service and one hundred and twenty days thereafter, be waived if the insured applies therefor within one hundred and twenty days after the date of enactment of this clause or the date of his return to military jurisdiction, whichever is later, or if the insured dies or is declared dead while in such missing status or if the insured dies on or prior to the last day upon which he may apply for such waiver under this clause, except that premiums shall not be automatically waived with respect to any policy where the amount of the dividend earned would exceed the amount of the premium waived:".

SEC. 2. The third proviso of section 622 of the National Service Life Insurance Act of 1940 (54 Stat. 1008), as added by section 10 of the Insurance Act of 1951 (65 Stat. 36) is amended to read as follows: "*Provided further*, That premium waiver benefits under this section render the contract of insurance nonparticipating during the period a premium waiver is in effect:".

Approved July 29, 1955.

Public Law 194 — CHAPTER 432

July 29, 1955
[H. R. 1619]

AN ACT

To amend certain provisions of the Servicemen's Indemnity Act of 1951.

Servicemen's indemnity.
65 Stat. 34.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth sentence of section 5 of the Servicemen's Indemnity Act of 1951 (38 U. S. C. 854), is amended to read as follows: "Any person having United States Government life insurance or national service life insurance on the five-year level premium term plan, the term of which expires while such person is in active service after April 25, 1951, or within one hundred and twenty days after separation from such active service, shall, upon application made within one hundred and twenty days after separation from service or the enactment of this amendment, whichever be the later, payment of premiums and evidence of good health satisfactory to the Administrator, be granted an equivalent amount of insurance on the five-year level premium term plan at the premium rate for his then attained age.".

SEC. 2. The last sentence of section 5 of the Servicemen's Indemnity Act of 1951 (part I, Public Law 23, Eighty-second Congress), is amended, effective April 25, 1951, to read as follows: "Waiver of premiums and total disability income benefits otherwise authorized under the National Service Life Insurance Act of 1940, as amended, or the World War Veterans' Act, 1924, as amended, shall not be denied in any case of issue or reinstatement of insurance on a permanent plan under this section in which it is shown to the satisfaction of the Administrator that total disability of the applicant commenced prior to the date of his application. The cost of premiums waived and total disability income benefits paid by virtue of the preceding sentence and the excess mortality cost in any case where the insurance matures by death from such total disability shall be borne by the United States and the Administrator is authorized and directed to transfer from time to time from the national service life insurance appropriation to the National Service Life Insurance fund and from the military and naval insurance appropriation to the United States Government Life Insurance Fund such sums as may be necessary to reimburse the funds for such costs."

54 Stat. 1008.
38 USC 818.
43 Stat. 607.
38 USC 421.

Approved July 29, 1955.