Office Building Commission, is authorized to obligate such total amount, prior to the actual appropriation of the full amount thereof, after an appropriation of any part of such total amount shall have been made.

Approved September 2, 1958.

Public Law 85-896

September 2, 1958
[H. R. 11382]

AN ACT

To amend title 38 of the United States Code to authorize the conversion or exchange, under certain conditions, of term insurance issued under section 621 of the National Service Life Insurance Act of 1940, and for other purposes.

Term insurance. Conversion and exchange. 48 Stat. 526.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective as of January 1, 1959, section 723 of title 38, United States Code, is amended as follows:

(1) Subsection (b) is redesignated as subsection (c).

(2) Insert the following new subsection immediately after subsection (a):

65 Stat. 36. 38 USC 822.

"(b) Any term insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940, may be converted to a permanent plan of insurance or exchanged for a policy of limited convertible five-year level premium term insurance issued under this subsection. Insurance issued under this subsection shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance except (1) after September 1, 1960, limited convertible term insurance may not be issued or renewed on the term plan after the insured's fiftieth birthday; (2) the premium rates for such limited convertible term or permanent plan insurance shall be based on table X–18 (1950–54 Intercompany Table of Mortality) and interest at the rate of 2½ per centum per annum; (3) all settlements on policies involving annuities on insurance issued under this subsection shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2½ per centum per annum; (4) all cash, loan, paid-up, and extended values, and, except as otherwise provided in this subsection, all other calculations in connection with insurance issued under this subsection shall be based on table X–18 (1950–54 Intercompany Table of Mortality) and interest at the rate of 2½ per centum per annum; (5) insurance and any total disability provision added thereto issued under this subsection shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited directly to the revolving fund referred to in subsection (a) and payments on such insurance and any total disability provision added thereto shall be made directly from such fund."

(3) The second sentence of the subsection redesignated by paragraph (1) as subsection (c) is amended to read as follows: "The rate of interest on such obligations shall be fixed by the Secretary of the Treasury at a rate equal to the rate of interest, computed as of the end of the month preceding the date of issue of such obligations, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of five years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such average rate."

Approved September 2, 1958.

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