

108TH CONGRESS
1ST SESSION

H. R. 1554

To amend title 38, United States Code, to make certain improvements to the National Service Life Insurance and United States Government Life Insurance programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 2003

Mr. FILNER introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to make certain improvements to the National Service Life Insurance and United States Government Life Insurance programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veterans Life Insur-

5 ance Improvement Act of 2003”.

1 **SEC. 2. PAYMENT OF INSURANCE PROCEEDS TO AN ALTER-**2 **NATE BENEFICIARY WHEN FIRST BENE-**
3 **FICIARY CANNOT BE IDENTIFIED.**4 (a) NSLI.—Section 1917 of title 38, United States
5 Code, is amended by adding at the end the following new
6 subsection:7 “(f)(1) Following the death of the insured and in a
8 case not covered by subsection (d)—9 “(A) if the first beneficiary otherwise entitled to
10 payment of the insurance does not make a claim for
11 such payment within two years after the death of
12 the insured, payment may be made to another bene-
13 ficiary designated by the insured, in the order of
14 precedence as designated by the insured, as if the
15 first beneficiary had predeceased the insured; and16 “(B) if within four years after the death of the
17 insured, no claim has been filed by a person des-
18 ignated by the insured as a beneficiary and the Sec-
19 retary has not received any notice in writing that
20 any such claim will be made, payment may (notwith-
21 standing any other provision of law) be made to
22 such person as may in the judgment of the Secretary
23 be equitably entitled thereto.24 “(2) Payment of insurance under paragraph (1) shall
25 be a bar to recovery by any other person.”.

1 (b) USGLI.—Section 1952 of such title is amended
2 by adding at the end the following new subsection:

3 “(c)(1) Following the death of the insured and in a
4 case not covered by section 1950 of this title—

5 “(A) if the first beneficiary otherwise entitled to
6 payment of the insurance does not make a claim for
7 such payment within two years after the death of
8 the insured, payment may be made to another bene-
9 ficiary designated by the insured, in the order of
10 precedence as designated by the insured, as if the
11 first beneficiary had predeceased the insured; and

12 “(B) if within four years after the death of the
13 insured, no claim has been filed by a person des-
14 ignated by the insured as a beneficiary and the Sec-
15 retary has not received any notice in writing that
16 any such claim will be made, payment may (notwith-
17 standing any other provision of law) be made to
18 such person as may in the judgment of the Secretary
19 be equitably entitled thereto.

20 “(2) Payment of insurance under paragraph (1) shall
21 be a bar to recovery by any other person.”.

22 (c) TRANSITION PROVISION.—In the case of a person
23 insured under subchapter I or II of chapter 19 of title
24 38, United States Code, who dies before the date of the
25 enactment of this Act, the two-year and four-year periods

1 specified in subsection (f)(1) of section 1917 of title 38,
2 United States Code, as added by subsection (a), and sub-
3 section (c)(1) of section 1952 of such title, as added by
4 subsection (b), as applicable, shall for purposes of the ap-
5 plicable subsection be treated as being the two-year and
6 four-year periods, respectively, beginning on the date of
7 the enactment of this Act.

8 **SEC. 3. REDUCTION IN SERVICE-DISABLED VETERANS IN-**
9 **SURANCE PREMIUMS.**

10 Section 1922(a) of title 38, United States Code, is
11 amended—

12 (1) by inserting “(1)” after “(a)”; and
13 (2) by striking the fourth sentence and all that
14 follows and inserting the following:

15 “(2) Insurance granted under this section shall be
16 issued upon the same terms and conditions as are con-
17 tained in the standard policies of National Service Life
18 Insurance, except that—

19 “(A) the premium rates for such insurance—
20 “(i) for premiums for months beginning
21 before the date of the enactment of the Vet-
22 erns Life Insurance Improvement Act of 2003
23 shall be based on the Commissioners 1941
24 Standard Ordinary Table of Mortality and in-
25 terest at the rate of 2 $\frac{1}{4}$ percent per year; and

1 “(ii) for premiums for months beginning
2 on or after that date shall be based upon the
3 1980 Commissioners Standard Ordinary Basic
4 Table of Mortality and interest at the rate of 5
5 percent per year;

6 “(B) all cash, loan, paid-up, and extended val-
7 ues—

8 “(i) for a policy issued under this section
9 before the date of the enactment of the Vet-
10 erans Life Insurance Improvement Act of 2003
11 shall be based upon the Commissioners 1941
12 Standard Ordinary Table of Mortality and in-
13 terest at the rate of 2 $\frac{1}{4}$ percent per year; and

14 “(ii) for a policy issued under this section
15 on or after that date shall be based upon the
16 1980 Commissioners Standard Ordinary Basic
17 Table of Mortality and interest at the rate of 5
18 percent per year;

19 “(C) all settlements on policies involving annu-
20 ties shall be calculated on the basis of The Annuity
21 Table for 1949, and interest at the rate of 2 $\frac{1}{4}$ per-
22 cent per year;

23 “(D) insurance granted under this section shall
24 be on a nonparticipating basis;

1 “(E) all premiums and other collections for in-
2 surance under this section shall be credited directly
3 to a revolving fund in the Treasury of the United
4 States; and

5 “(F) any payments on such insurance shall be
6 made directly from such fund.

7 “(3) Appropriations to the fund referred to in sub-
8 paragraphs (E) and (F) of paragraph (2) are hereby au-
9 thorized.

10 “(4) As to insurance issued under this section, waiver
11 of premiums pursuant to section 602(n) of the National
12 Service Life Insurance Act of 1940 and section 1912 of
13 this title shall not be denied on the ground that the serv-
14 ice-connected disability became total before the effective
15 date of such insurance.”.

16 **SEC. 4. INCREASE OF VETERANS' MORTGAGE LIFE INSUR-**
17 **ANCE COVERAGE TO \$200,000.**

18 (a) INCREASE.—Section 2106(b) of title 38, United
19 States Code, is amended by striking “\$90,000” and in-
20 serting “\$200,000”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 subsection (a) shall apply with respect to insurance pay-
23 able under section 2106 of title 38, United States Code,

- 1 in the case of a veteran insured under that section who
- 2 dies on or after the date of the enactment of this Act.

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