

108TH CONGRESS  
2D SESSION

# H. R. 4229

To amend title 38, United States Code, to make improvements to certain life insurance programs, administered by the Secretary of Veterans Affairs for veterans with service-connected disabilities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2004

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

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## A BILL

To amend title 38, United States Code, to make improvements to certain life insurance programs, administered by the Secretary of Veterans Affairs for veterans with service-connected disabilities, 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 “Fair Insurance Pre-  
5       miums for Disabled Veterans Act”.

1 **SEC. 2. REDUCTION IN SERVICE-DISABLED VETERANS IN-**  
2 **SURANCE PREMIUMS.**

3 (a) IN GENERAL.—Section 1922(a) of title 38,  
4 United States Code, is amended—

5 (1) by inserting “(1)” after “(a)”; and

6 (2) by striking the fourth sentence and all that  
7 follows and inserting the following:

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

12 “(A) the premium rates for such insurance—

13 “(i) for premiums for months beginning  
14 before the date of the enactment of the Fair In-  
15 surance Premiums for Disabled Veterans Act  
16 shall be based on the Commissioners 1941  
17 Standard Ordinary Table of Mortality and in-  
18 terest at the rate of 2¼ percent per year; and

19 “(ii) for premiums for months beginning  
20 on or after that date shall be based upon the  
21 2001 Commissioners Standard Ordinary Table  
22 of Mortality and interest at the rate of 4.5 per-  
23 cent per year;

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

1           “(i) for a policy issued under this section  
2           before the date of the enactment of the Fair In-  
3           surance Premiums for Disabled Veterans Act  
4           shall be based upon the Commissioners 1941  
5           Standard Ordinary Table of Mortality and in-  
6           terest at the rate of  $2\frac{1}{4}$  percent per year; and

7           “(ii) for a policy issued under this section  
8           on or after that date shall be based upon the  
9           2001 Commissioners Standard Ordinary Table  
10          of Mortality and interest at the rate of 4.5 per-  
11          cent per year;

12          “(C) all settlements on policies involving annu-  
13          ities shall be calculated on the basis of the Annuity  
14          Table for 1949, and interest at the rate of  $2\frac{1}{4}$  per-  
15          cent per year;

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

18          “(E) all premiums and other collections for in-  
19          surance under this section shall be credited directly  
20          to a revolving fund in the Treasury of the United  
21          States; and

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

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

4 “(4) As to insurance issued under this section, waiver  
 5 of premiums pursuant to section 602(n) of the National  
 6 Service Life Insurance Act of 1940 and section 1912 of  
 7 this title shall not be denied on the ground that the serv-  
 8 ice-connected disability became total before the effective  
 9 date of such insurance.

10 “(5) Administrative costs to the Government for the  
 11 costs of the program of insurance under this section shall  
 12 be paid from amounts credited to the fund under subpara-  
 13 graph (E) of paragraph (2), and payments for claims  
 14 against the fund for amounts in excess of amounts cred-  
 15 ited to the fund under that subparagraph (after such ad-  
 16 ministrative costs have been paid) shall be paid from ap-  
 17 propriations to the fund.”.

18 (b) CONFORMING AMENDMENT.—Section 1982 of  
 19 such title is amended by inserting “1922(a)(5),” after  
 20 “1920(c),”.

21 **SEC. 3. INCREASE IN MAXIMUM COVERAGE UNDER VET-**  
 22 **ERANS’ MORTGAGE LIFE INSURANCE PRO-**  
 23 **GRAM TO \$200,000.**

24 (a) INCREASE.—Subsection (b) of section 2106 of  
 25 title 38, United States Code, is amended—

1 (1) by inserting “(1)” after “(b)”;

2 (2) by designating the second, third, and fourth  
3 sentences as paragraphs (2), (3), and (4), respec-  
4 tively;

5 (3) in paragraph (1), as designated by para-  
6 graph (1) of this subsection, by striking “may not  
7 exceed” and all that follows through “on the housing  
8 unit.” and inserting “shall be the amount of the  
9 loan outstanding on the housing unit, except that—

10 “(A) coverage may not exceed \$200,000; and

11 “(B) a veteran may elect, in writing, to be cov-  
12 ered for less than the maximum coverage available.”;  
13 and

14 (4) in paragraph (2), as designated by para-  
15 graph (2) of this subsection, by striking “of such in-  
16 surance” and inserting “of insurance provided a vet-  
17 eran under this section”.

18 (b) CONFORMING AMENDMENT.—Subsection (g) of  
19 such section is amended by striking “of this section or”  
20 and inserting “or an election under that subsection or by”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 subsection (a) shall take effect at the end of the 120-day  
23 period beginning on the date of the enactment of this Act.

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