

111TH CONGRESS
2D SESSION

S. 3718

To amend title 38, United States Code, to ensure that beneficiaries of Servicemembers' Group Life Insurance receive financial counseling and disclosure information regarding life insurance payments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2010

Mr. CARDIN introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to ensure that beneficiaries of Servicemembers' Group Life Insurance receive financial counseling and disclosure information regarding life insurance payments, 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 “Securing America’s
5 Veterans Insurance Needs and Goals Act of 2010” or the
6 “SAVINGS Act of 2010”.

1 **SEC. 2. FINANCIAL COUNSELING AND DISCLOSURE INFOR-**
 2 **MATION FOR SERVICEMEMBERS' GROUP LIFE**
 3 **INSURANCE BENEFICIARIES.**

4 (a) FINANCIAL COUNSELING AND DISCLOSURE IN-
 5 FORMATION.—

6 (1) IN GENERAL.—Section 1966 of title 38,
 7 United States Code, is amended by adding at the
 8 end the following new subsection:

9 “(e)(1) In order to be an eligible life insurance com-
 10 pany under this section, a life insurance company shall
 11 provide financial counseling to a beneficiary or other per-
 12 son otherwise entitled to payment upon the establishment
 13 of a valid claim under section 1970(a) of this title.

14 “(2) The financial counseling provided pursuant to
 15 paragraph (1) shall—

16 “(A) be provided both orally and in writing; and

17 “(B) include full disclosure with respect to the
 18 payment of the claim, including, at a minimum—

19 “(i) a comparison of the advantages and
 20 disadvantages of maintaining such payment
 21 with the life insurance company and maintain-
 22 ing such payment with a financial institution, in
 23 a format that shows equivalent financial prod-
 24 ucts or product lines with comparable bench-
 25 marks, risk factors, or other components the
 26 Secretary considers appropriate;

1 “(ii) a comparison of the rate of interest
2 bearing to such payment if the payment is
3 maintained with the life insurance company and
4 if the payment is maintained with a financial
5 institution;

6 “(iii) an explanation of whether maintain-
7 ing such payment with the life insurance com-
8 pany results in the payment not being insured
9 by the Federal Deposit Insurance Corporation;

10 “(iv) an explanation that the beneficiary
11 may, at the beneficiary’s request, receive pay-
12 ment in full as a lump sum;

13 “(v) an explanation that an account main-
14 tained by the insurer does not operate like a
15 traditional checking account; and

16 “(vi) such other information as the Sec-
17 retary considers appropriate.

18 “(3) In order to be an eligible life insurance company
19 under this section, a life insurance company may not
20 charge any fees to a beneficiary or other person otherwise
21 entitled to payment upon the establishment of a valid
22 claim under section 1970(a) with respect to maintaining
23 such payment with the company.

1 “(4) In each annual performance and accountability
 2 report submitted by the Secretary to Congress, the Sec-
 3 retary shall include the following:

4 “(A) The number of individuals who received fi-
 5 nancial counseling under paragraph (1).

6 “(B) A description of the information received
 7 by such individuals during such counseling.

8 “(C) Such recommendations, complaints, or
 9 other information with respect to such counseling
 10 that the Secretary considers relevant.”.

11 (2) REGULATIONS.—Not later than 90 days
 12 after the date of the enactment of this Act, the Sec-
 13 retary of Veterans Affairs shall prescribe regulations
 14 to carry out section 1966(e) of such title, as added
 15 by paragraph (1).

16 (3) EFFECTIVE DATE.—Such section shall take
 17 effect on the date of the enactment of this Act and
 18 shall apply with respect to beneficiaries or other per-
 19 sons otherwise entitled to payment upon the estab-
 20 lishment of a valid claim under section 1970(a) of
 21 such title after the date described in paragraph (2).

22 (b) SPECIFICATION BY MEMBERS OF THE ARMED
 23 FORCES OF PREFERENCE FOR MANNER OF DISBURSE-
 24 MENT OF PROCEEDS.—

1 (1) IN GENERAL.—Section 1967(a) of such title
 2 is amended by adding at the end the following new
 3 paragraph:

4 “(6) Upon the insurance of a member under this sub-
 5 chapter, the member shall have the option of specifying
 6 a preference for the manner of disbursement of proceeds
 7 under this subchapter.”.

8 (2) REGULATIONS.—Not later than 90 days
 9 after the date of the enactment of this Act, the Sec-
 10 retary of Veterans Affairs shall prescribe regulations
 11 to carry out section 1967(a)(6) of such title, as
 12 added by paragraph (1).

13 (3) EFFECTIVE DATE.—Such section shall take
 14 effect on the date of the enactment of this Act and
 15 shall apply with respect to members of the Armed
 16 Forces insured under subchapter III of chapter 19
 17 of such title after the date described in paragraph
 18 (2).

19 (c) OFFICE OF SURVIVORS ASSISTANCE.—

20 (1) ADVISORY ROLE.—Subsection (b) of section
 21 321 of such title is amended—

22 (A) by striking “The Office” and inserting
 23 “(1) The Office”; and

24 (B) by adding at the end the following new
 25 paragraph:

1 “(2) The Director of the Office shall attend each
 2 meeting of the Advisory Council on Servicemembers’
 3 Group Life Insurance under section 1974 of this title.”.

4 (2) RESOURCES.—Subsection (d) of such sec-
 5 tion is amended—

6 (A) by striking “The Secretary” and in-
 7 serting “(1) The Secretary”; and

8 (B) by adding at the end the following new
 9 paragraph:

10 “(2) In carrying out paragraph (1), the Secretary
 11 shall ensure that the Office has the personnel necessary
 12 to serve as a resource to provide individuals described in
 13 paragraphs (1) and (2) of subsection (a) with information
 14 on how to receive the Servicemembers’ Group Life Insur-
 15 ance financial counseling pursuant to section 1966(e)(1)
 16 of this title.”.

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