

Department of Veterans Affairs

§ 8a.4

(c) Any eligible individual who prior to October 1, 1976, was covered by \$30,000 VMLI and who on that date became eligible to have his or her coverage increased may elect to retain the lesser amount of coverage he or she had in effect prior to that date.

(Authority: 38 U.S.C. 501, 2101, 2101A, 2106)

[52 FR 48682, Dec. 24, 1987, as amended at 59 FR 59921, Nov. 21, 1994; 61 FR 29027, June 7, 1996; 82 FR 48631, Oct. 19, 2017]

§ 8a.3 Effective date.

(a) Where the grant was approved prior to August 11, 1971, VMLI shall be effective August 11, 1971, if on that date, the eligible individual was obligated under a mortgage loan, and any such eligible individual is automatically insured, unless he or she elects in writing not to be insured, or fails to respond within 60 days after the date a final request is made or mailed to the eligible individual for information on which his or her premium can be based.

(b) Where the grant is approved on or after August 11, 1971, VMLI shall be effective on the date of approval of the grant, if on that date the eligible individual is obligated under a mortgage loan, and any such eligible individual is automatically insured, unless he or she elects in writing not to be insured, or fails to respond within 60 days after the date a final request is made or mailed to the eligible individual for information on which his or her premium can be based.

(c) In any case in which an individual would have been eligible for VMLI on August 11, 1971, or on the date of approval of his or her grant, whichever date is the later date, but such insurance did not become effective because he or she was not obligated under a mortgage loan on that date, or because he or she elected in writing not to be insured, or failed to timely respond to a request for information on which his or her premium could be based, the insurance will be effective on a date agreed upon by the individual and the Secretary, but only if the individual files an application in writing with the Department of Veterans Affairs for such insurance, submits evidence that he or she meets the health requirements of the Secretary, together with information on which his or her pre-

miums can be based, and is or becomes obligated under a mortgage loan upon the date agreed upon as the effective date of his or her insurance.

(d) In any case in which an eligible individual disposes of the housing unit purchased, constructed or remodeled in part with a grant, or a subsequently acquired housing unit, and becomes obligated under a mortgage loan on another housing unit occupied or to be occupied by the eligible individual, the insurance will be effective upon a date requested by the individual and agreed to by the Secretary, but only if the eligible individual files an application for such insurance, submits evidence that he or she meets the health requirements of the Secretary, furnishes information on which his or her premium can be based, and is or becomes obligated under a mortgage loan on the date the insurance is to become effective.

(e) In any case where an eligible individual insured under VMLI, refinances the mortgage loan which is the basis for such insurance on his or her life, any increase in the amount of insurance or any delay in the rate of reduction of insurance will be effective only if the eligible individual files an application for insurance, submits evidence that he or she meets the health requirements of the Secretary, and furnishes information on which his or her premium can be based.

(Authority: 38 U.S.C. 501, 2101, 2101A, 2106)

[42 FR 43835, Aug. 31, 1977, as amended at 61 FR 29027, June 7, 1996; 82 FR 48631, Oct. 19, 2017]

§ 8a.4 Coverage.

(a) The amount of VMLI in force on his or her life at any one time shall be reduced simultaneously (1) with the reduction in the principal of the mortgage loan, whether or not the mortgage loan is amortized, and (2) in addition, if the mortgage loan is amortized, according to the schedule for the reduction of the principal of the mortgage loan whether or not the schedule payments are timely made.

(b) If the amount of the mortgage loan exceeds \$200,000, or the reduced maximum amount of insurance selected by an eligible individual, whichever amount is the lesser, the amount

of insurance in force on the life of the individual shall remain at a constant level until the principal amount of the mortgage loan which is basis for establishing the amount of insurance is reduced to \$200,000, or to the amount of the reduced maximum amount of insurance selected by the individual, at which time the amount of insurance in force on his or her life shall be reduced in accordance with the schedule for the reduction of the principal of the mortgage loan, and whether or not the scheduled payments are timely made.

(c) Subject to the \$200,000 maximum amount of insurance, and to the reduced maximum amount of insurance selected by the eligible individual, he or she is entitled to be insured under VMLI or to apply for such insurance as often as he or she becomes obligated under a mortgage loan or a refinanced mortgage loan on a housing unit or a successor housing unit owned and occupied by the eligible individual. Where an individual who is not automatically insured under VMLI applies for such insurance, he or she shall be required to meet the health standards and other conditions established by the Secretary for such insureds.

(Authority: 38 U.S.C. 501, 2101, 2101A, 2106)

[37 FR 282, Jan. 8, 1972, as amended at 42 FR 43836, Aug. 31, 1977; 52 FR 48682, Dec. 24, 1987; 59 FR 59921, Nov. 21, 1994; 61 FR 29027, June 7, 1996; 82 FR 48631, Oct. 19, 2017]

PART 9—SERVICEMEMBERS' GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

Sec.

- 9.1 Definitions.
- 9.2 Effective date; applications.
- 9.3 Waiver or reduction of coverage.
- 9.4 Beneficiaries and options.
- 9.5 Payment of proceeds.
- 9.6 Assignments.
- 9.7 Administrative decisions.
- 9.8 Termination of coverage.
- 9.9 Conversion privilege.
- 9.10 Health standards.
- 9.11 Criteria for reinsurers and converters.
- 9.12 Reinsurance formula.
- 9.13 Actions on the policy.
- 9.14 Accelerated Benefits.
- 9.20 Traumatic injury protection.
- 9.21 Schedule of Losses.
- 9.22 VA's access to records maintained by the insurer, reinsurer(s), and their successors.

9.23 Submission of certain applications and forms affecting entitlement to Servicemembers' Group Life Insurance and Veterans' Group Life Insurance.

9.24 Insurable dependents who become eligible members, and eligible members who marry eligible members.

AUTHORITY: 38 U.S.C. 501, 1965–1980A, unless otherwise noted.

SOURCE: 40 FR 4135, Jan. 28, 1975, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 9 appear at 62 FR 35970, July 3, 1997, and 62 FR 45733, Sept. 9, 1997.

§ 9.1 Definitions.

The following definitions are in addition to those definitions in 38 U.S.C. 101 and 1965:

(a) The term *policy* means Group Policy No. G-32000, which was effective September 29, 1965, purchased from the insurer pursuant to 38 U.S.C. 1966, executed and attested on December 30, 1965, and amended thereafter.

(b) The term *administrative office* means the Office of Servicemembers' Group Life Insurance, located at 80 Livingston Avenue, Roseland, New Jersey 07068.

(c) The term *insurer* means the commercial life insurance company or companies selected under 38 U.S.C. 1966 to provide insurance coverage specified in the policy.

(d) The term *reinsurer* means any life insurance company meeting all the criteria set forth in § 9.10 which reinsures a portion of the total amount of insurance covered by the policy and issues individual life insurance policies to members under the provisions of 38 U.S.C. 1968(b) and 1977(e).

(e) The term *converter* means any life insurance company meeting all the criteria set forth in § 9.10 which issues individual life insurance policies to members under the provisions of 38 U.S.C. 1968(b) and 1977(e).

(f) The term *coverage* means Servicemembers' Group Life Insurance or Veterans' Group Life Insurance payable while the member is insured under the policy.

(g) The term *termination of duty* means (1) In the case of active duty or active duty for training being performed under a call or order that does not specify a period of less than 31