

Public Law 92-188

AN ACT

To amend title 38 of the United States Code to provide that dividends may be used to purchase additional paid up national service life insurance.

December 15, 1971
[H. R. 11334]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 703 and section 741 of title 38, United States Code, is amended by adding at the end thereof the following new sentence: "The limitations of this section shall not apply to the additional paid up insurance the purchase of which is authorized under section 707 of this title."

National service life insurance.
Use of dividends.
72 Stat. 1148.

SEC. 2. Section 707 of title 38, United States Code, is amended—

84 Stat. 331.

(1) by striking out "in writing for payment in cash," in subsection (a) and inserting in lieu thereof "or directive in writing exercising any other dividend option allowable under his policy,";

(2) by adding at the end thereof the following new subsection:

"(c) The Administrator, upon application in writing made by the insured for insurance under this subsection, and without proof of good health, is authorized to apply any dividend due and payable on national service life insurance after the date of such application to purchase paid up insurance. Also, the Administrator, upon application in writing made by the insured within six calendar months after the effective date of this subsection, and without proof of good health, is authorized to apply any national service life insurance dividend credits and deposits of such insured existing at the date of his application to purchase paid up insurance. Any dividends, dividend credits, or deposits on endowment policies may be used under this subsection only to purchase additional paid up endowment insurance which matures concurrently with the basic policy. Any dividends, dividend credits, or deposits on policies (other than endowment policies) may be used under this section only to purchase additional paid up whole life insurance. The paid up insurance granted under this subsection shall be in addition to any insurance otherwise authorized under this title, or under prior provisions of law. The paid up insurance granted under this subsection shall be issued on the same terms and conditions as are contained in the standard policies of national service life insurance except (1) the premium rates for such insurance and all cash and loan values thereon shall be based on such table of mortality and rate of interest per annum as may be prescribed by the Administrator; (2) the total disability income provision authorized under section 715 of this title may not be added to insurance issued under this section; and (3) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable.";

Terms and conditions.

78 Stat. 272.

(3) by amending the side heading to read as follows:

"§ 707. Payment or use of dividends".

SEC. 3. The analysis of chapter 19 of title 38, United States Code, is amended by deleting therefrom:

"707. Dividends to pay premiums."

and inserting in lieu thereof

"707. Payment or use of dividends."

SEC. 4. The amendments made by this Act shall take effect on a date established by the Administrator but in no event later than the first day of the first calendar month which begins more than six calendar months after the date of enactment of this Act.

Effective date.

Approved December 15, 1971.