

(3) If elected by the insured or a beneficiary entitled to make such an election under prior provisions of law, as a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the first beneficiary. A refund life income optional settlement is not available in any case in which such settlement would result in payments of installments over a shorter period than one hundred and twenty months. If the mode of payment is changed to a refund life income in accordance with prior provisions of law, after payment has commenced, payment of monthly installments will be adjusted as of the date of maturity of such policy with credit being allowed for payments previously made on the insurance.

(b) Such insurance shall be payable only to a widow, widower, child, parent, brother or sister of the insured. Any installments certain of such insurance remaining unpaid at the death of any beneficiary shall be paid in equal monthly installments in an amount equal to the monthly installments paid to the first beneficiary, to the person or persons then in being within the following classes, and in the order named, unless designated by the insured in a different order:

(1) To the widow or widower of the insured, if living.

(2) If no widow or widower, to the child or children of the insured, if living, in equal shares.

(3) If no widow, widower, or child, to the parent or parents of the insured who last bore that relationship, if living, in equal shares.

(4) If no widow, widower, child, or parent, to the brothers and sisters of the insured, if living, in equal shares.

(c) The provisions of this section shall not be construed to enlarge the classes of beneficiaries heretofore authorized under section 602(d) of the National Service Life Insurance Act of 1940, for payment of gratuitous insurance.

(d) If no beneficiary of insurance which matured before August 1, 1946, was designated by the insured or if the designated beneficiary did not survive the insured, the beneficiary shall be determined in accordance with the order specified in subsection (b) and the insurance shall be payable in equal monthly installments in accordance with subsection (a). The right of any beneficiary to payment of any installments of such insurance shall be conditioned upon his or her being alive to receive such payments. No person shall have a vested right to any installment or installments of any such insurance and any installments not paid to a beneficiary during such beneficiary's lifetime shall be paid to the beneficiary or beneficiaries within the permitted class next entitled to priority, as provided in subsection (b).

(e) No installments of insurance which matured before August 1, 1946, shall be paid to the heirs or legal representatives as such of the insured or of any beneficiary, and if no person

within the permitted class survives to receive the insurance or any part thereof no payment of the unpaid installments shall be made, except that if the reserve of a contract of converted National Service Life Insurance, together with dividends accumulated thereon, less any indebtedness under such contract, exceeds the aggregate amount paid to beneficiaries, the excess shall be paid to the estate of the insured unless the estate of the insured would escheat under the laws of the insured's place of residence, in which event no payment shall be made. When the amount of an individual monthly payment of such insurance is less than \$5, such amount may, in the discretion of the Secretary, be allowed to accumulate without interest and be disbursed annually.

(f) Any payments of insurance made to a person, represented by the insured to be within the permitted class of beneficiaries, shall be deemed to have been properly made and to satisfy fully the obligation of the United States under such insurance policy to the extent of such payments.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1151, §716; Pub. L. 99-576, title VII, §701(27), Oct. 28, 1986, 100 Stat. 3292; renumbered §1916 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 102-86, title V, §506(a)(2), Aug. 14, 1991, 105 Stat. 426.)

Editorial Notes

REFERENCES IN TEXT

Section 602(d) of the National Service Life Insurance Act of 1940, referred to in subsec. (c), is section 602(d) of act Oct. 8, 1940, ch. 757, title VI, pt. I, 54 Stat. 1009, which enacted section 802(d) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was omitted in the general revision and reenactment of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 716 of this title as this section.

Subsec. (b). Pub. L. 102-86 amended subsec. (b) of this section as in effect before the redesignations made by Pub. L. 102-83, §5, by substituting "unpaid" for "unpaid".

Subsec. (e). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

1986—Subsec. (e). Pub. L. 99-576 substituted "the insured's" for "his".

§ 1917. Insurance maturing on or after August 1, 1946

(a)(1) A person who enrolls in insurance maturing on or after August 1, 1946, may designate a beneficiary of the insurance policy. The insured shall, subject to regulations, at all times have the right to change the beneficiary or beneficiaries of such insurance without the consent of such beneficiary or beneficiaries.

(2) If a person enrolled in insurance maturing on or after August 1, 1946, does not designate a beneficiary under paragraph (1) before the veteran dies, or if a designated beneficiary predeceases the veteran, the Secretary shall determine the beneficiary in the following order:

(A) The surviving spouse of the insured person.

(B) The children of the insured person and descendants of deceased children by representation.

(C) The parents of the insured person or the survivors of the parents.

(D) The duly appointed executor or administrator of the estate of the insured person.

(E) Other next of kin of the insured person entitled under the laws of domicile of the insured person at the time of the death of the insured person.

(b) Insurance maturing on or after August 1, 1946, shall be payable in accordance with the following optional modes of settlement:

(1) In one sum.

(2) In equal monthly installments of from thirty-six to two hundred and forty in number, in multiples of twelve.

(3) In equal monthly installments for one hundred and twenty months certain with such payments continuing during the remaining lifetime of the first beneficiary.

(4) As a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the first beneficiary; however, such optional settlement shall not be available in any case in which such settlement would result in payments of installments over a shorter period than one hundred and twenty months.

(c) Except as provided in the second and third sentences of this subsection, unless the insured elects some other mode of settlement, such insurance shall be payable to the designated beneficiary or beneficiaries in thirty-six equal monthly installments. The first beneficiary may elect to receive payment under any option which provides for payment over a longer period of time than the option elected by the insured, or if no option has been elected by the insured, in excess of thirty-six months. In the case of insurance maturing after September 30, 1981, and for which no option has been elected by the insured, the first beneficiary may elect to receive payment in one sum. If the option selected requires payment to any one beneficiary of monthly installments of less than \$10, the amount payable to such beneficiary shall be paid in such maximum number of monthly installments as are a multiple of twelve as will provide a monthly installment of not less than \$10. If the present value of the amount payable at the time any person initially becomes entitled to payment thereof is not sufficient to pay at least twelve monthly installments of not less than \$10 each, such amount shall be payable in one sum. Options (3) and (4) shall not be available if any firm, corporation, legal entity (including the estate of the insured), or trustee is beneficiary.

(d) If the beneficiary of such insurance is entitled to a lump-sum settlement but elects some other mode of settlement and dies before receiving all the benefits due and payable under such mode of settlement, the present value of the remaining unpaid amount shall be payable to the estate of the beneficiary. If no beneficiary is designated by the insured, or if the designated

beneficiary does not survive the insured, or if a designated beneficiary not entitled to a lump-sum settlement survives the insured, and dies before receiving all the benefits due and payable, then the commuted value of the remaining unpaid insurance (whether accrued or not) shall be paid in one sum to the estate of the insured. In no event shall there be any payment to the estate of the insured or of the beneficiary of any sums unless it is shown that any sums paid will not escheat.

(e) Under such regulations as the Secretary may promulgate, the cash surrender value of any policy of insurance or the proceeds of an endowment contract which matures by reason of completion of the endowment period may be paid to the insured under option (2) or (4) of this section. All settlements under option (4), however, shall be calculated on the basis of The Annuity Table for 1949. If the option selected requires payment of monthly installments of less than \$10, the amount payable shall be paid in such maximum number of monthly installments as are a multiple of twelve as will provide a monthly installment of not less than \$10.

(f)(1) Following the death of the insured and in a case not covered by subsection (d)—

(A) if the first beneficiary otherwise entitled to payment of the insurance does not make a claim for such payment within one year after the death of the insured, payment may be made to another beneficiary designated by the insured, in the order of precedence as designated by the insured, as if the first beneficiary had predeceased the insured; and

(B) if, within two years after the death of the insured, no claim has been filed by a person designated by the insured as a beneficiary and the Secretary has not received any notice in writing that any such claim will be made, payment may (notwithstanding any other provision of law) be made to such person as may in the judgment of the Secretary be equitably entitled thereto.

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

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1152, §717; Pub. L. 91-291, §10, June 25, 1970, 84 Stat. 331; Pub. L. 97-66, title IV, §403(a), Oct. 17, 1981, 95 Stat. 1031; renumbered §1917 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 108-183, title I, §103(a), Dec. 16, 2003, 117 Stat. 2655; Pub. L. 117-313, §§2(a), 3(a), Dec. 27, 2022, 136 Stat. 4399.)

Editorial Notes

AMENDMENTS

2022—Subsec. (a). Pub. L. 117-313, §3(a), added subsec. (a) and struck out former subsec. (a) which read as follows: "The insured shall have the right to designate the beneficiary or beneficiaries of insurance maturing on or after August 1, 1946, and shall, subject to regulations, at all times have the right to change the beneficiary or beneficiaries of such insurance without the consent of such beneficiary or beneficiaries."

Subsec. (f)(1)(A). Pub. L. 117-313, §2(a)(1), substituted "one year" for "two years".

Subsec. (f)(1)(B). Pub. L. 117-313, §2(a)(2), substituted "two years" for "four years".

2003—Subsec. (f). Pub. L. 108-183 added subsec. (f).

1991—Pub. L. 102-83 renumbered section 717 of this title as this section and substituted "Secretary" for "Administrator" in subsec. (e).

1981—Subsec. (c). Pub. L. 97-66 substituted “Except as provided in the second and third sentences of this subsection, unless” for “Unless” and inserted provision that, in the case of insurance maturing after September 30, 1981, and for which no option has been elected by the insured, the first beneficiary may elect to receive payment in one sum.

1970—Subsec. (c). Pub. L. 91-291 struck out provision that options (3) and (4) were not available in cases where the endowment contract matured by reason of the completion of the endowment period.

Subsec. (e). Pub. L. 91-291 added subsec. (e).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2022 AMENDMENT

Pub. L. 117-313, §2(c), Dec. 27, 2022, 136 Stat. 4399, provided that: “The amendments made by this section [amending this section and section 1952 of this title] shall apply with respect to the death of an insured person occurring on or after the date that is two years before the date of the enactment of this Act [Dec. 27, 2022].”

Pub. L. 117-313, §3(c), Dec. 27, 2022, 136 Stat. 4400, provided that: “The amendments made by this section [amending this section and section 1949 of this title] shall apply with respect to the death of an insured person occurring on or after the date that is two years before the date of the enactment of this Act [Dec. 27, 2022].”

EFFECTIVE DATE OF 2003 AMENDMENT

Pub. L. 108-183, title I, §103(c), Dec. 16, 2003, 117 Stat. 2655, provided that: “The amendments made by subsections (a) and (b) [amending this section and section 1952 of this title] shall take effect on October 1, 2004.”

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-66 effective Oct. 17, 1981, see section 701(b)(1) of Pub. L. 97-66, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective first day of first calendar month which begins more than six calendar months after June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

TRANSITION PROVISION

Pub. L. 108-183, title I, §103(d), Dec. 16, 2003, 117 Stat. 2655, provided that: “In the case of a person insured under subchapter I or II of chapter 19 of title 38, United States Code, who dies before the effective date of the amendments made by subsections (a) and (b), as specified by subsection (c) [set out as an Effective Date of 2003 Amendment note above], the two-year and four-year periods specified in subsection (f)(1) of section 1917 of title 38, United States Code, as added by subsection (a), and subsection (c)(1) of section 1952 of such title, as added by subsection (b), as applicable, shall for purposes of the applicable subsection be treated as being the two-year and four-year periods, respectively, beginning on the effective date of such amendments, as so specified.”

§ 1918. Assignments

(a) Assignments of all or any part of the beneficiary's interest may be made by a designated beneficiary to a widow, widower, child, father, mother, grandfather, grandmother, brother, or sister of the insured, when the designated contingent beneficiary, if any, joins the beneficiary in the assignment, and if the assignment is delivered to the Secretary before any payments of the insurance shall have been made to the beneficiary. However, an interest in an annuity,

when assigned, shall be payable in equal monthly installments in such multiple of twelve as most nearly equals the number of installments certain under such annuity, or in two hundred and forty installments, whichever is the lesser. The provisions of this subsection shall not be applicable to insurance maturing after July 26, 1962.

(b) Except as to insurance granted under the provisions of section 1922(b) of this title, any person to whom insurance maturing after July 26, 1962, is payable may assign all or any portion of such person's interest in such insurance to a widow, widower, child, father, mother, grandfather, grandmother, brother, or sister of the insured when the designated contingent beneficiary, if any, joins the beneficiary in the assignment. Such joinder shall not be required in any case in which the insurance proceeds are payable in a lump sum.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1153, §718; Pub. L. 87-557, §1, July 27, 1962, 76 Stat. 245; Pub. L. 96-128, title III, §304, Nov. 28, 1979, 93 Stat. 986; Pub. L. 97-295, §4(24), Oct. 12, 1982, 96 Stat. 1306; renumbered §1918 and amended Pub. L. 102-83, §§4(a)(2)(A)(iii)(III), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403, 406.)

Editorial Notes

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 718 of this title as this section.

Subsec. (a). Pub. L. 102-83, §4(a)(2)(A)(iii)(III), substituted “Secretary” for “Veterans Administration”.

Subsec. (b). Pub. L. 102-83, §5(c)(1), substituted “1922(b)” for “722(b)”.

1982—Subsec. (a). Pub. L. 97-295 substituted “after July 26, 1962” for “on or after the date of enactment of this sentence”.

Subsec. (b). Pub. L. 97-295 substituted “after July 26, 1982,” for “on or after the date of enactment of this sentence”.

1979—Subsec. (b). Pub. L. 96-128 substituted “such person's” for “his”.

1962—Pub. L. 87-557 designated existing provisions as subsec. (a), inserted sentence making subsection inapplicable to insurance maturing on or after “the date of enactment of this sentence [July 27, 1962]”, and added subsec. (b).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-128 effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as a note under section 1114 of this title.

§ 1919. National Service Life Insurance appropriation

(a) The National Service Life Insurance appropriation is continued and there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this chapter and the provisions heretofore prescribed in the National Service Life Insurance Act of 1940, or related Acts, for the payment of liabilities under National Service Life Insurance. Payment from this appropriation shall be made upon and in accordance with awards by the Secretary.

(b) All premiums heretofore and hereafter paid on insurance issued or reinstated under section