

the interest rate may not be less than zero percent;

(ii) for the second and each subsequent year of the program, shall calculate such interest at an annual rate equal to the rate of return on the revolving fund under subsection (a)(5) for the calendar year preceding the year of the veteran's death, except that the interest rate may not be less than zero percent; and

(iii) on an annual basis, shall publish on the internet website of the Department the average interest rate calculated under clause (ii) for the preceding calendar year.

(d) PREMIUMS.—(1) The Secretary shall establish a schedule of basic premium rates by age per \$10,000 of insurance under subsection (a)(1) consistent with basic premium rates generally charged for guaranteed acceptance life insurance policies by private life insurance companies.

(2) The Secretary may adjust such schedule after the first policy year in a manner consistent with the general practice of guaranteed acceptance life insurance policies issued by private life insurance companies.

(3) Section 1912 of this title shall not apply to life insurance policies under subsection (a)(1), and the Secretary may not otherwise waive premiums for such insurance policies.

(e) BENEFICIARIES.—(1) A veteran who enrolls in the insurance program under subsection (a)(1) may designate a beneficiary of the life insurance policy.

(2) If a veteran enrolled in the insurance program under subsection (a)(1) 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 veteran.

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

(C) The parents of the veteran or the survivors of the parents.

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

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

(f) CLAIMS.—(1) If the deceased veteran designated a beneficiary under subsection (e)(1)—

(A) the designated beneficiary is the only person who may file a claim for payment under subsection (g) during the one-year period beginning on the date of the death of the veteran; and

(B) if the designated beneficiary does not file a claim for the payment during the period described in paragraph (1), or if payment to the designated beneficiary within that period is prohibited by Federal statute or regulation, a beneficiary described in subsection (e)(2) may file a claim for such payment during the one-year period following the period described in subparagraph (A) as if the designated beneficiary had predeceased the veteran.

(2) If the deceased veteran did not designate a beneficiary under subsection (e)(1), or if the designated beneficiary predeceased the veteran, a

beneficiary described in subsection (e)(2) may file a claim for payment under subsection (g) during the two-year period beginning on the date of the death of the veteran.

(3) If, on the date that is two years after the date of the death of the veteran, no claim for payment has been filed by any beneficiary pursuant to paragraph (1) or (2), and the Secretary has not received notice that any such claim will be so filed during the subsequent one-year period, the Secretary may make the payment to a claimant whom the Secretary determines to be equitably entitled to such payment.

(g) PAYMENTS.—(1) In a case described in subsection (f)—

(A) in paragraph (1)(A), the Secretary shall pay the designated beneficiary not later than 90 days after the designated beneficiary files a complete and valid claim for payment;

(B) in paragraph (1)(B) or (2), the Secretary shall make any payment not later than one year after the end of the period described in the applicable such paragraph, if the Secretary receives a complete and valid claim for payment in accordance with the applicable such paragraph; or

(C) in paragraph (3), the Secretary shall make any payment not later than one year after the end of the period described in such paragraph, if the Secretary receives a complete and valid claim for payment.

(2) In a case where the Secretary has not made an insurance payment under this section during the applicable period specified in paragraph (1) by reason of a beneficiary not yet having filed a claim, or the Secretary not yet making a determination under subsection (f)(3), the Secretary may make the payment after such applicable period.

(3) Notwithstanding section 1917 of this title, the Secretary shall make an insurance payment under this section in a lump sum.

(4) The Secretary may not make an insurance payment under this section if such payment will escheat to a State.

(5) Any payment under this subsection shall be a bar to recovery by any other person.

(Added Pub. L. 116-315, title II, §2004(a)(1), Jan. 5, 2021, 134 Stat. 4970.)

### § 1923. Veterans' Special Life Insurance

(a) Insurance heretofore granted under the provisions of section 621 of the National Service Life Insurance Act of 1940, against the death of the policyholder occurring while such insurance is in force, is subject to the same terms and conditions as are contained in standard policies of National Service Life Insurance on the five-year level premium term plan except (1) such insurance may not be exchanged for or converted to insurance on any other plan; (2) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2¼ per centum per annum; (4) all premiums and other collections on such insurance and any total disability provisions added

thereto shall be credited to a revolving fund in the Treasury of the United States, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums, and for the reimbursement of administrative costs under subsection (d).

(b) Any term insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940, may be converted to a permanent plan of insurance or exchanged for a policy of limited convertible five-year level premium term insurance issued under this subsection. Insurance issued under this subsection shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance except (1) after September 1, 1960, limited convertible term insurance may not be issued or renewed on the term plan after the insured's fiftieth birthday; (2) the premium rates for such limited convertible term or permanent plan insurance shall be based on table X-18 (1950-54 Intercompany Table of Mortality) and interest at the rate of 2½ per centum per annum; (3) all settlements on policies involving annuities on insurance issued under this subsection shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2½ per centum per annum; (4) all cash, loan, paid-up, and extended values, and, except as otherwise provided in this subsection, all other calculations in connection with insurance issued under this subsection shall be based on table X-18 (1950-54 Intercompany Table of Mortality) and interest at the rate of 2½ per centum per annum; (5) all premiums and other collections on insurance issued under this subsection and any total disability income provisions added thereto shall be credited directly to the revolving fund referred to in subsection (a) of this section, which together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums.

(c) The Secretary is authorized to invest in, and the Secretary of the Treasury is authorized to sell and retire, special interest-bearing obligations of the United States for the account of the revolving fund with a maturity date as may be agreed upon by the two Secretaries. The rate of interest on such obligations shall be fixed by the Secretary of the Treasury at a rate equal to the rate of interest, computed as of the end of the month preceding the date of issue of such obligations, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of five years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such average rate.

(d)(1) For each fiscal year for which this subsection is in effect, the Secretary shall, from the Veterans' Special Life Insurance Fund, reim-

burse the "General operating expenses" account of the Department for the amount of administrative costs determined under paragraph (2) for that fiscal year. Such reimbursement shall be made from any surplus earnings for that fiscal year that are available for dividends on such insurance after claims have been paid and actuarially determined reserves have been set aside. However, if the amount of such administrative costs exceeds the amount of such surplus earnings, such reimbursement shall be made only to the extent of such surplus earnings.

(2) The Secretary shall determine the administrative costs to the Department for a fiscal year for which this subsection is in effect which, in the judgment of the Secretary, are properly allocable to the provision of Veterans' Special Life Insurance (and to the provision of any total disability income insurance added to the provision of such insurance).

(3) This subsection shall be in effect only with respect to fiscal year 1996.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1157, §723; Pub. L. 85-896, Sept. 2, 1958, 72 Stat. 1716; Pub. L. 87-223, Sept. 13, 1961, 75 Stat. 495; Pub. L. 93-289, §2(a), May 24, 1974, 88 Stat. 165; renumbered §1923 and amended Pub. L. 102-83, §§4(b)(1), (2)(C), (E), 5(a), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 104-99, title II, §201(b), Jan. 26, 1996, 110 Stat. 36.)

#### Editorial Notes

##### REFERENCES IN TEXT

Section 621 of the National Service Life Insurance Act of 1940, referred to in subsecs. (a) and (b), is section 621 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Apr. 25, 1951, ch. 39, pt. II, §10, 65 Stat. 36, which enacted section 822 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this section by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

##### CODIFICATION

Amendment by Pub. L. 104-99 is based on section 107(2) of H.R. 2099, One Hundred Fourth Congress, as passed by the House of Representatives on Dec. 7, 1995, which was enacted into law by Pub. L. 104-99.

##### AMENDMENTS

1996—Subsec. (a). Pub. L. 104-99 inserted “, and for the reimbursement of administrative costs under subsection (d)” before period at end.

Subsec. (d). Pub. L. 104-99 added subsec. (d).

1991—Pub. L. 102-83, §5(a), renumbered section 723 of this title as this section.

Subsec. (c). Pub. L. 102-83, §4(b)(2)(C), substituted “two Secretaries” for “Administrator and Secretary”.

Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator” after “The”.

1974—Pub. L. 93-289, §2(a)(1), substituted “Veterans' Special Life Insurance” for “Veterans' special term insurance” in section catchline.

Subsec. (a). Pub. L. 93-289, §2(a)(2), substituted “all premiums and other collections on such insurance and any total disability provisions added thereto shall be credited to a revolving fund in the Treasury of the United States, which, together with interest earned thereof, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums” for “such insurance and any total disability provision added thereto shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited to a revolving fund in the Treasury of the United States and

the payments on such term insurance and any total disability provision added thereto shall be made directly from such fund" in cl. (4).

Subsec. (b). Pub. L. 93-289, §2(a)(3), substituted "all premiums and other collections on insurance issued under this subsection and any total disability income provisions added thereto shall be credited directly to the revolving fund referred to in subsection (a) of this section, which together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums" for "insurance and any total disability provision added thereto issued under this subsection shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited directly to the revolving fund referred to in subsection (a) and payments on such insurance and any total disability provision added thereto shall be made directly from such fund" in cl. (5).

Subsecs. (d), (e). Pub. L. 93-289, §2(a)(4), repealed subsecs. (d) and (e) which related to the payment of dividends from the excess funds in the revolving fund, and to the transfer of funds from the revolving fund to general fund receipts in the Treasury.

1961—Subsecs. (d), (e). Pub. L. 87-223 added subsecs. (d) and (e).

1958—Subsec. (b). Pub. L. 85-896, §1(2), added subsec. (b). Former subsec. (b) redesignated (c).

Subsec. (c). Pub. L. 85-896, §1(1), redesignated former subsec. (b) as (c) and substituted "equal to the rate of interest, computed as of the end of the month preceding the date of issue of such obligations, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of five years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such average rate" for "not exceeding the average interest rate on all marketable obligations of the United States Treasury outstanding as of the end of the month preceding the date of issue of this special obligation".

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1974 AMENDMENT

Pub. L. 93-289, §12(1), May 24, 1974, 88 Stat. 173, provided that: "The amendments made by section 2 [amending this section], relating to Veterans' Special Life Insurance, shall become effective upon the date of enactment of this Act [May 24, 1974] except that no dividend on such insurance shall be paid prior to January 1, 1974."

#### § 1924. In-service waiver of premiums

(a) Waiver of all premiums on five-year level premium term insurance and that portion of any permanent insurance premiums representing the cost of the pure insurance risk, as determined by the Secretary, granted on National Service Life Insurance or United States Government life insurance under section 622 of the National Service Life Insurance Act of 1940 and in effect on January 1, 1959, shall, unless canceled, continue in effect according to the provisions of such section for the remainder of the insured's continuous active service and for one hundred and twenty days thereafter. Such premium waiver renders the contract of insurance nonparticipating during the period the waiver is in effect.

(b) Whenever benefits become payable because of the maturity of such insurance while under

the premium waiver continued by this section, liability for payment of such benefits shall be borne by the United States in an amount which, when added to any reserve of the policy at the time of maturity, will equal the then value of such benefits under such policy. Where life contingencies are involved in the calculation of the value of such benefits, the calculation of such liability or liabilities shall be based upon such mortality table or tables as the Secretary may prescribe with interest at the rate of 2¼ per centum per annum as to insurance issued under sections 620 and 621 of the National Service Life Insurance Act of 1940, at the rate of 3 per centum per annum as to other National Service Life Insurance, and 3½ per centum per annum as to United States Government life insurance. The Secretary shall transfer from time to time from the National Service Life Insurance appropriation to the National Service Life Insurance Fund and from the military and naval insurance appropriation to the United States Government Life Insurance Fund such sums as may be necessary to carry out the provisions of this section.

(c) In any case in which insurance continued in force under this section matures on or after January 1, 1972, an amount equal to the amount of premiums, less dividends, waived on and after that date shall be placed as an indebtedness against the insurance and, unless otherwise paid, shall be deducted from the proceeds. In such case, the liability of the Government under subsection (b) of this section shall be reduced by the amount so deducted from the proceeds.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1157, §724; Pub. L. 92-197, §7, Dec. 15, 1971, 85 Stat. 662; renumbered §1924 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

#### Editorial Notes

##### REFERENCES IN TEXT

Section 622 of the National Service Life Insurance Act of 1940, referred to in subsec. (a), is section 622 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Apr. 25, 1951, ch. 39, pt. II, §10, 65 Stat. 36, which enacted section 823 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this section by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

Sections 620 and 621 of the National Service Life Insurance Act of 1940, referred to in subsec. (b), are sections 620 and 621 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Apr. 25, 1951, ch. 39, pt. II, §10, 65 Stat. 36, which enacted sections 821 and 822 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which were repealed and reenacted as sections 722 and 723 [now 1922 and 1923], respectively, of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

##### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 724 of this title as this section and substituted "Secretary" for "Administrator" wherever appearing in subsecs. (a) and (b).

1971—Subsec. (c). Pub. L. 92-197 added subsec. (c).

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1971 AMENDMENT

Amendment by Pub. L. 92-197 effective Jan. 1, 1972, see section 10 of Pub. L. 92-197, set out as a note under section 1311 of this title.