

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 L. 93-289, §2(a)(4), repealed subsecs.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 non-participating 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 2 1/4 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 3 1/2 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.

§ 1925. Limited period for acquiring insurance

(a) Any person (other than a person referred to in subsection (f) of this section) heretofore eligible to apply for National Service Life Insurance after October 7, 1940, and before January 1, 1957, who is found by the Secretary to be suffering (1) from a service-connected disability or disabilities for which compensation would be payable if 10 percent or more in degree and except for which such person would be insurable according to the standards of good health established by the Secretary; or (2) from a non-service-connected disability which renders such person uninsurable according to the standards of good health established by the Secretary and such person establishes to the satisfaction of the Secretary that such person is unable to obtain commercial life insurance at a substandard rate, shall, upon application in writing made before May 2, 1966, compliance with the health requirements of this section and payment of the required premiums, be granted insurance under this section.

(b) If, notwithstanding the applicant's service-connected disability, such person is insurable according to the standards of good health established by the Secretary, the insurance granted under this section shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance except (1) five-year level premium term insurance may not be issued; (2) the net premium rates shall be based on the 1958 Commissioners Standard Ordinary Basic Mortality Table, increased at the time of issue by such an amount as the Secretary determines to be necessary for sound actuarial operations, and thereafter such premiums may be adjusted as the Secretary determines to be so necessary but at intervals of not less than two years; (3) an additional premium to cover administrative costs to the Government as determined by the Secretary at times of issue shall be charged for insurance issued under this subsection and for any total disability income provision attached thereto, and thereafter such costs may be adjusted as the Secretary determines to be necessary but at intervals of not less than five years; (4) all cash, loan, extended and paid-up insurance values shall be based on the 1958 Commissioners Standard Ordinary Basic Mortality Table; (5) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949; (6) all calculations in connection with insurance issued under this subsection shall be based on interest at the rate of 3½ percent per annum; and (7) the insurance shall include such other changes in terms and conditions as the Secretary determines to be reasonable and practicable.

(c) If the applicant's service-connected disability or disabilities render the applicant uninsurable according to the standards of good health established by the Secretary, or if the applicant has a non-service-connected disability which renders the applicant uninsurable according to the standards of good health established by the Secretary and such person establishes to the satisfaction of the Secretary that such person is unable to obtain commercial life insur-

ance at a substandard rate and such uninsurability existed as of the date of approval of this section, the insurance granted under this section shall be issued upon the same terms and conditions as are contained in standard policies of National Service Life Insurance, except (1) five-year level premium term insurance may not be issued; (2) the premiums charged for the insurance issued under this subsection shall be increased at the time of issue by such an amount as the Secretary determines to be necessary for sound actuarial operations and thereafter such premiums may be adjusted from time to time as the Secretary determines to be necessary; for the purpose of any increase at time of issue or later adjustment the service-connected group and the non-service-connected group may be separately classified; (3) an additional premium to cover administrative costs to the Government as determined by the Secretary at the time of issue shall be charged for insurance issued under this subsection and for any total disability income provision attached thereto (for which the insured may subsequently become eligible) and thereafter such costs may be adjusted as the Secretary determines to be necessary but at intervals of not less than five years and for this purpose the service-connected and non-service-connected can be separately classified; (4) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949; (5) all calculations in connection with insurance issued under this subsection shall be based on interest at the rate of 3½ percent per annum; and (6) the insurance shall include such other changes in terms and conditions as the Secretary determines to be reasonable and practicable.

(d)(1) All premiums and collections on insurance issued pursuant to this section and any total disability income provision attached thereto shall be credited to the Veterans Reopened Insurance Fund, a revolving fund established in the Treasury of the United States, and all payments on such insurance and any total disability provision attached thereto, including payments of dividends and refunds of unearned premiums, shall be made from that fund and the interest earned on the assets of that fund. For actuarial and accounting purposes, the assets and liabilities (including liabilities for repayment of advances hereinafter authorized, and adjustment of premiums) attributable to the insured groups established under this section shall be separately determined. Such amounts in the Veterans Special Term Insurance Fund in the Treasury, not exceeding \$1,650,000 in the aggregate, as may hereafter be determined by the Secretary to be in excess of the actuarial liabilities of that fund, including contingency reserves, shall be available for transfer to the Veterans Reopened Insurance Fund as needed to provide initial capital. Any amounts so transferred shall be repaid to the Treasury over a reasonable period of time with interest as determined by the Secretary of the Treasury taking into consideration the average yield on all marketable interest-bearing obligations of the United States of comparable maturities then forming a part of the public debt.

(2) The Secretary is authorized to set aside out of the revolving fund established under this sec-