

1982—Pub. L. 97-295 substituted “percent” for “per centum”.

#### § 1944. Policy provisions

(a) Provisions for maturity at certain ages, for continuous installments during the lifetime of the insured or beneficiaries, or both, for refund of premiums, cash, loan, paid-up and extended values, dividends from gains and savings, and such other provisions for the protection and advantage of and for alternative benefits to the insured and the beneficiaries as may be found to be reasonable and practicable may be provided for in insurance contracts or from time to time by regulations.

(b) All calculations on insurance shall be based upon the American Experience Table of Mortality and interest at 3½ percent per annum, except that no deduction shall be made for continuous installments during the life of the insured in case the insured's total and permanent disability continues more than two hundred and forty months.

(c) On and after July 19, 1939, the rate of interest charged on any loan secured by a lien on insurance shall not exceed 5 percent per annum.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1158, § 744; Pub. L. 97-295, § 4(26), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1944, Pub. L. 102-83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

#### Editorial Notes

##### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 744 of this title as this section.

1986—Subsec. (b). Pub. L. 99-576 substituted “the insured's” for “his”.

1982—Subsecs. (b), (c). Pub. L. 97-295 substituted “percent” for “per centum”.

#### § 1945. Renewal

At the expiration of any term period any insurance policy issued on the five-year level premium term plan which has not been exchanged or converted to a permanent plan of insurance and which is not lapsed shall be renewed as level premium term insurance without application for a successive five-year period at the premium rate for the attained age without medical examination. However, renewal shall be effected in cases where the policy is lapsed only if the insured makes application for reinstatement and renewal of the insured's term policy within five years after the date of lapse, and reinstatement in such cases shall be under the terms and conditions prescribed by the Secretary.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1159, § 745; Pub. L. 91-291, § 11, June 25, 1970, 84 Stat. 331; Pub. L. 99-576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1945 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

#### Editorial Notes

##### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 745 of this title as this section and substituted “Secretary” for “Administrator”.

1986—Pub. L. 99-576 substituted “the insured's” for “his”.

1970—Pub. L. 91-291 struck out effective date provision for renewal of policies, provisions that, in case of lapsed policies, such lapse have occurred within two months before the expiration of the term period, special provisions for the interim period between July 23, 1953 and December 31, 1953, and provisions that the section take effect on Sept. 2, 1958, and required that the insurer make application for reinstatement and renewal of his term policy within five years after the date of the lapse.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

#### § 1946. Dividends to pay premiums

Until and unless the Secretary has received from the insured a request in writing for payment of dividends in cash or that the dividends be placed on deposit in accordance with the provisions of the insured's policy, any regular annual dividends shall be applied in payment of premiums becoming due on insurance after the date the dividend is payable on or after December 31, 1958.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1159, § 746; Pub. L. 99-576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1946 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(iii)(V), 5(a), Aug. 6, 1991, 105 Stat. 403, 406.)

#### Editorial Notes

##### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 746 of this title as this section and substituted “Secretary” for “Veterans' Administration”.

1986—Pub. L. 99-576 substituted “the insured's” for “his”.

#### § 1947. Incontestability

Subject to the provisions of section 1954 of this title all contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issuance, reinstatement, or conversion, except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces of the United States. The insured under such contract or policy may, without prejudicing the insured's rights, elect to make claim to the Department or to bring suit under section 1984 of this title on any prior contract or policy, and if found entitled thereto, shall, upon surrender of any subsequent contract or policy, be entitled to payments under the prior contract or policy. In any case in which a contract or policy of insurance is canceled or voided after March 16, 1954, because of fraud, the Secretary shall refund to the insured, if living, or, if deceased, to the person designated as beneficiary (or if none survives, to the estate of the insured) all money, without interest, paid as premiums on such contract or policy for any period subsequent to two years after the date such fraud induced the Secretary to issue, reinstate, or convert such insurance