

**(b) Notification and application**

The Secretary of Veterans Affairs shall notify the Secretary concerned of the procedures to be used to apply for the protections provided under this title [sections 541 to 549 of this Appendix]. The applicant shall send the original application to the insurer and a copy to the Secretary of Veterans Affairs.

**(c) Limitation on amount**

The total amount of life insurance coverage protection provided by this title [sections 541 to 549 of this Appendix] for a servicemember may not exceed \$250,000, or an amount equal to the Servicemember's Group Life Insurance maximum limit, whichever is greater, regardless of the number of policies submitted.

(Oct. 17, 1940, ch. 888, title IV, §402, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2852.)

## PRIOR PROVISIONS

A prior section 542, acts Oct. 17, 1940, ch. 888, art. IV, §402, 54 Stat. 1183; Oct. 6, 1942, ch. 581, §13, 56 Stat. 774; Pub. L. 102-12, §9(13), Mar. 18, 1991, 105 Stat. 40, related to form of application, reports to Secretary of Veterans Affairs by insurer, and policy deemed modified upon application for protection, prior to the general amendment of this Act by Pub. L. 108-189. See section 543 of this Appendix.

**§ 543. Application for insurance protection****(a) Application procedure**

An application for protection under this title [sections 541 to 549 of this Appendix] shall—

- (1) be in writing and signed by the insured, the insured's legal representative, or the insured's beneficiary, as the case may be;
- (2) identify the policy and the insurer; and
- (3) include an acknowledgement that the insured's rights under the policy are subject to and modified by the provisions of this title.

**(b) Additional requirements**

The Secretary of Veterans Affairs may require additional information from the applicant, the insured and the insurer to determine if the policy is entitled to protection under this title [sections 541 to 549 of this Appendix].

**(c) Notice to the Secretary by the insurer**

Upon receipt of the application of the insured, the insurer shall furnish a report concerning the policy to the Secretary of Veterans Affairs as required by regulations prescribed by the Secretary.

**(d) Policy modification**

Upon application for protection under this title [sections 541 to 549 of this Appendix], the insured and the insurer shall have constructively agreed to any policy modification necessary to give this title full force and effect.

(Oct. 17, 1940, ch. 888, title IV, §403, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2852.)

## PRIOR PROVISIONS

A prior section 543, acts Oct. 17, 1940, ch. 888, art. IV, §403, 54 Stat. 1184; Oct. 6, 1942, ch. 581, §13, 56 Stat. 775; Pub. L. 102-12, §9(14), Mar. 18, 1991, 105 Stat. 40, related to determination of policies entitled to protection, notice to parties, and lapse of policies for nonpayment of premiums, prior to the general amendment of this Act by Pub. L. 108-189. See section 544 of this Appendix.

**§ 544. Policies entitled to protection and lapse of policies****(a) Determination**

The Secretary of Veterans Affairs shall determine whether a policy is entitled to protection under this title [sections 541 to 549 of this Appendix] and shall notify the insured and the insurer of that determination.

**(b) Lapse protection**

A policy that the Secretary determines is entitled to protection under this title [sections 541 to 549 of this Appendix] shall not lapse or otherwise terminate or be forfeited for the nonpayment of a premium, or interest or indebtedness on a premium, after the date on which the application for protection is received by the Secretary.

**(c) Time application**

The protection provided by this title [sections 541 to 549 of this Appendix] applies during the insured's period of military service and for a period of two years thereafter.

(Oct. 17, 1940, ch. 888, title IV, §404, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2853.)

## PRIOR PROVISIONS

A prior section 544, acts Oct. 17, 1940, ch. 888, art. IV, §404, 54 Stat. 1184; Oct. 6, 1942, ch. 581, §13, 56 Stat. 775; Pub. L. 102-12, §9(15), Mar. 18, 1991, 105 Stat. 40, related to rights and privileges of insured during period of protection, prior to the general amendment of this Act by Pub. L. 108-189. See section 545 of this Appendix.

**§ 545. Policy restrictions****(a) Dividends**

While a policy is protected under this title [sections 541 to 549 of this Appendix], a dividend or other monetary benefit under a policy may not be paid to an insured or used to purchase dividend additions without the approval of the Secretary of Veterans Affairs. If such approval is not obtained, the dividends or benefits shall be added to the value of the policy to be used as a credit when final settlement is made with the insurer.

**(b) Specific restrictions**

While a policy is protected under this title [sections 541 to 549 of this Appendix], cash value, loan value, withdrawal of dividend accumulation, unearned premiums, or other value of similar character may not be available to the insured without the approval of the Secretary. The right of the insured to change a beneficiary designation or select an optional settlement for a beneficiary shall not be affected by the provisions of this title.

(Oct. 17, 1940, ch. 888, title IV, §405, as added Pub. L. 108-189, §1, Dec. 19, 2003, 117 Stat. 2853.)

## PRIOR PROVISIONS

A prior section 545, acts Oct. 17, 1940, ch. 888, art. IV, §405, 54 Stat. 1184; Oct. 6, 1942, ch. 581, §13, 56 Stat. 775; Pub. L. 102-12, §9(16), Mar. 18, 1991, 105 Stat. 40, related to deduction of unpaid premiums upon settlement of policies maturing during protection, prior to the general amendment of this Act by Pub. L. 108-189. See section 546 of this Appendix.