

Subsecs. (b), (c), (d)(2). Pub. L. 97-295, §4(25)(A), substituted "percent" for "per centum" wherever appearing.

1979—Subsec. (b). Pub. L. 96-128, §301(a), struck out cl. (8) which required the insurance and any attached total disability income provision to be on a nonparticipatory basis.

Subsec. (c). Pub. L. 96-128, §301(b), struck out cl. (4) which required the insurance and any attached total disability income provision to be on a nonparticipatory basis, and redesignated former cls. (5) to (7) as (4) to (6), respectively.

Subsec. (d)(1). Pub. L. 96-128, §301(c), inserted provisions respecting payments of dividends and refunds of unearned premiums from the fund, and interest earned on the assets of the fund.

1965—Subsec. (b). Pub. L. 89-40, §1(1), struck out provision from cl. (8) which called for all premiums and other collections for insurance granted under this section to be credited to a revolving fund established in the Treasury of the United States and for payment on such insurance or total disability income provisions to be made directly from that fund.

Subsec. (c). Pub. L. 89-40, §1(2), struck out cl. (8) which provided that all premiums and other collections on the insurance and any total disability income provision attached thereto should be credited to the National Service Life Insurance appropriation, and the payments on such insurance and total disability income provisions should be made directly from such appropriations, and struck out sentence which authorized necessary appropriations.

Subsec. (d)(1). Pub. L. 89-40, §1(3), struck out provisions authorizing appropriations to carry out the purposes of subsec. (b) of this section by adding to the revolving fund as needed at interest to be determined by the Secretary of the Treasury, and substituted therefor provisions requiring credit to Veterans Reopened Insurance Fund of all premiums and collections on insurance issued pursuant to this section and disbursements from that fund of all payments on insurance and total disability provisions attached thereto, separate determination for actuarial purposes of the various insured groups under this section, transfer to fund from Veterans Special Term Insurance Fund to provide initial capital of excess funds not exceeding \$1,650,000, and repayment over a reasonable time at interest to be determined by the Secretary of the Treasury.

Subsec. (d)(2). Pub. L. 89-40, §1(4), struck out reference to subsec. (b) of this section.

Subsec. (d)(3). Pub. L. 89-40, §1(5), struck out reference to National Service Life Insurance appropriation.

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.

EFFECTIVE DATE OF 1965 AMENDMENT

Pub. L. 89-40 provided that the amendment made by Pub. L. 89-40 is effective May 1, 1965.

EFFECTIVE DATE

Pub. L. 88-664, §12(d), Oct. 13, 1964, 78 Stat. 1099, provided that: "The amendments made by this section [enacting this section and amending section 704 [now 1904] of this title] shall take effect as of the first day of the first calendar month which begins more than six calendar months after the date of enactment of this Act [Oct. 13, 1964]."

§ 1926. Authority for higher interest rates for amounts payable to beneficiaries

Notwithstanding sections 1902, 1923, and 1925 of this title, if the beneficiary of an insurance policy receives the proceeds of such policy under a settlement option under which such proceeds

are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in the appropriate section of this subchapter. The Secretary may from time to time establish a higher interest rate under the preceding sentence only in accordance with a determination that such higher rate is administratively and actuarially sound for the program of insurance concerned. Any such higher interest rate shall be paid on the unpaid balance of such monthly installments.

(Added Pub. L. 96-128, title III, §302(a), Nov. 28, 1979, 93 Stat. 986, §726; renumbered §1926 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 726 of this title as this section.

Pub. L. 102-83, §5(c)(1), substituted "1902, 1923, and 1925" for "702, 723, and 725".

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

EFFECTIVE DATE

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

§ 1927. Authority for higher monthly installments payable to certain annuitants

(a) Subject to subsections (b) and (c) of this section, the Secretary may from time to time adjust the dollar amount of the monthly installments payable to a beneficiary of National Service Life Insurance, Veterans Special Life Insurance, or Veterans Reopened Insurance who is receiving the proceeds of such insurance under a life annuity settlement option. The Secretary may make such an adjustment only if the Secretary determines that the adjustment is administratively and actuarially sound for the program of insurance concerned. The Secretary may make such an adjustment without regard to the provisions of sections 1902, 1923, and 1925 of this title with respect to interest rates and the use of mortality tables.

(b) The Secretary shall determine the amount in the trust funds in the Treasury held for payment of proceeds to National Service Life Insurance, Veterans Special Life Insurance, and Veterans Reopened Insurance beneficiaries attributable to interest and mortality gains on the reserves held for annuity accounts. Such amount shall be available for distribution to the life annuitants referred to in subsection (a) of this section as a fixed percentage of, and in addition to, the monthly installment amount to which the annuitants are entitled under this subchapter. For the purposes of this section, gains on the reserves are defined as funds attributable solely to annuity accounts that are in excess of actuarial liabilities.

(c) The monthly amount of an annuity authorized in sections 1902, 1923, and 1925 of this title, as adjusted under this section, may not be less than the monthly amount of such annuity that would otherwise be applicable without regard to this section.

(Added Pub. L. 100-322, title III, §331(a)(1), May 20, 1988, 102 Stat. 536, §727; renumbered §1927 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 727 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted “1902, 1923, and 1925” for “702, 723, and 725”.

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

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

Subsec. (c). Pub. L. 102-83, §5(c)(1), substituted “1902, 1923, and 1925” for “702, 723, and 725”.

§ 1928. Authority for payment of interest on settlements

(a) Subject to subsection (b) of this section, the Secretary may pay interest on the proceeds of a participating National Service Life Insurance, Veterans' Special Life Insurance, and Veterans Reopened Insurance policy from the date the policy matures to the date of payment of the proceeds to the beneficiary or, in the case of an endowment policy, to the policyholder.

(b)(1) The Secretary may pay interest under subsection (a) of this section only if the Secretary determines that the payment of such interest is administratively and actuarially sound for the settlement option involved.

(2) Interest paid under subsection (a) of this section shall be at the rate that is established by the Secretary for dividends held on credit or deposit in policyholders' accounts under the insurance program involved.

(Added Pub. L. 100-687, div. B, title XIV, §1401(a)(1), Nov. 18, 1988, 102 Stat. 4128, §728; renumbered §1928 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 728 of this title as this section and substituted “Secretary” for “Administrator” wherever appearing.

EFFECTIVE DATE

Pub. L. 100-687, div. B, title XIV, §1401(a)(3), Nov. 18, 1988, 102 Stat. 4129, provided that: “The amendments made by this subsection [enacting this section and section 763 [now 1963] of this title] shall take effect with respect to insurance policies maturing after the date of the enactment of this Act [Nov. 18, 1988].”

§ 1929. Authority to adjust premium discount rates

(a) Notwithstanding sections 1902, 1923, and 1925 of this title and subject to subsection (b) of this section, the Secretary may from time to time adjust the discount rates for premiums paid in advance on National Service Life Insurance, Veterans' Special Life Insurance, and Veterans Reopened Insurance.

(b)(1) In adjusting a discount rate pursuant to subsection (a) of this section, the Secretary may not set such rate at a rate lower than the rate authorized for the program of insurance involved under section 1902, 1923, or 1925 of this title.

(2) The Secretary may make an adjustment under subsection (a) of this section only if the

Secretary determines that the adjustment is administratively and actuarially sound for the program of insurance involved.

(Added Pub. L. 100-687, div. B, title XIV, §1401(b)(1), Nov. 18, 1988, 102 Stat. 4129, §729; renumbered §1929 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 729 of this title as this section.

Pub. L. 102-83, §5(c)(1), substituted “1902, 1923, and 1925” for “702, 723, and 725” in subsec. (a) and “1902, 1923, or 1925” for “702, 723, or 725” in subsec. (b)(1).

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

EFFECTIVE DATE

Pub. L. 100-687, div. B, title XIV, §1401(b)(2), Nov. 18, 1988, 102 Stat. 4129, provided that: “The amendment made by paragraph (1) [enacting this section] shall take effect with respect to premiums paid after the date of the enactment of this Act [Nov. 18, 1988].”

SUBCHAPTER II—UNITED STATES GOVERNMENT LIFE INSURANCE

§ 1940. Definition

For the purposes of this subchapter, the term “insurance” means United States Government life insurance.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1158, §740; renumbered §1940, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 740 of this title as this section.

§ 1941. Amount of insurance

United States Government life insurance shall be issued against death or total permanent disability in any multiple of \$500 and not less than \$1,000 or more than \$10,000. No person may carry a combined amount of National Service Life Insurance and United States Government life insurance in excess of \$10,000 at any one time. The limitations of this section shall not apply to the additional paid up insurance the purchase of which is authorized under section 1907 of this title.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1158, §741; Pub. L. 92-188, §1, Dec. 15, 1971, 85 Stat. 645; renumbered §1941 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 741 of this title as this section and substituted “1907” for “707”.

1971—Pub. L. 92-188 made section limitations inapplicable to the additional paid up insurance purchase of which is authorized under section 707 of this title.

EFFECTIVE DATE OF 1971 AMENDMENT

Amendment by Pub. L. 92-188 effective on date established by Administrator but in no event later than first day of first calendar month beginning more than six calendar months after Dec. 15, 1971, see section 4 of Pub. L. 92-188, set out as a note under section 1907 of this title.

§ 1942. Plans of insurance

(a) Regulations shall provide for the right to convert insurance on the five-year level pre-