

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1162, §756; renumbered §1956 and amended Pub. L. 102-83, §§4(a)(3), (4), (b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

#### AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 756 of this title as this section.

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

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

#### § 1957. Extra hazard costs

(a) The United States shall bear the excess mortality and disability cost resulting from the hazards of war on United States Government life insurance.

(b) Whenever benefits under United States Government life insurance become, or have become, payable because of total permanent disability of the insured or because of the death of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Secretary, the liability shall be borne by the United States. In such cases the Secretary shall transfer from the military and naval insurance appropriation to the United States Government Life Insurance Fund a sum which, together with the reserve of the policy at the time of maturity by total permanent disability or death, will equal the then value of such benefits. When a person receiving total permanent disability benefits under a United States Government life insurance policy recovers from such disability and is then entitled to continue a reduced amount of insurance, the Secretary shall transfer to the military and naval insurance appropriation all of the loss reserve to the credit of such policy claim except a sum sufficient to set up the then required reserve on the reduced amount of the insurance that may be continued, which sum shall be retained in the United States Government Life Insurance Fund for the purpose of such reserve.

(c) Whenever benefits under the total disability provision become, or have become, payable because of total disability of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Secretary, the liability shall be borne by the United States, and the Secretary shall transfer from the military and naval insurance appropriation to the United States Government Life Insurance Fund from time to time any amounts which become or have become payable to the insured on account of such total disability, and shall transfer from the United States Government Life Insurance Fund to the military and naval insurance appropriation the amount of the reserve held on account of the total disability benefit. When a person receiving such payments on account of total disability recovers from such disability and is then entitled to continued protection under the total disability provision, the Secretary shall transfer to the United States Government Life Insurance Fund a sum sufficient to set up the then required reserve on such total disability benefit.

(d) Any disability for which a waiver was required as a condition to tendering a person a commission under Public Law 816, Seventy-seventh Congress, shall be deemed to be a disability resulting from an injury or disease traceable to the extra hazard of military or naval service for the purpose of applying this section.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1162, §757; renumbered §1957 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

#### REFERENCES IN TEXT

Public Law 816, Seventy-seventh Congress, referred to in subsec. (d), is act Dec. 18, 1942, ch. 768, §§1, 2, 56 Stat. 1066. Section 1 of that Act enacted section 853c-5 of former Title 34, Navy, and was repealed by act July 9, 1952, ch. 608, pt. VIII, §803, 66 Stat. 505. Section 2 of that Act enacted section 853c-6 of former Title 34, and was omitted from the Code in the general revision and reenactment of Title 10, Armed Forces, by act Aug. 10, 1956, ch. 1041, 70A Stat. 1.

#### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 757 of this title as this section and substituted "Secretary" for "Administrator" wherever appearing in subsecs. (b) and (c).

#### § 1958. Statutory total permanent disability

Without prejudice to any other cause of disability, the permanent loss of the use of both feet, of both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the loss of hearing of both ears, or the organic loss of speech, shall be deemed total permanent disability for insurance purposes. This section shall be deemed to be in effect on and after April 6, 1917, and shall apply only to automatic insurance, yearly renewable term insurance, and United States Government life insurance issued prior to December 15, 1936.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1163, §758; renumbered §1958, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

#### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 758 of this title as this section.

#### § 1959. Waiver of disability for reinstatement

(a) In the event that all provisions of the rules and regulations other than the requirements as to the physical condition of the applicant have been complied with, an application for reinstatement, in whole or in part, of lapsed United States Government life insurance may be approved if made within two years after the date of lapse and if the applicant's disability is the result of an injury or disease, or of an aggravation thereof, suffered or contracted in the active military or naval service during the period beginning April 6, 1917, and ending July 2, 1921, and the applicant during the applicant's lifetime submits proof satisfactory to the Secretary showing that the applicant is not totally and permanently disabled. As a condition to the acceptance of an application for reinstatement under this section, the applicant shall be required to pay all the back monthly premiums

which would have become payable if such insurance had not lapsed, together with interest at the rate of 5 per centum per annum, compounded annually, on each premium from the date said premium is due by the terms of the policy.

(b) Premium liens established under the provisions of section 304 of the World War Veterans' Act, 1924, shall continue to bear interest at the rate of 5 per centum per annum, compounded annually, and will be deducted from any settlement of insurance to which they are attached.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1163, § 759; Pub. L. 99-576, title VII, § 701(33), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1959 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

#### REFERENCES IN TEXT

Section 304 of the World War Veteran's Act, 1924, referred to in subsec. (b), is section 304 of act June 7, 1924, ch. 320, title III, 43 Stat. 625, which enacted section 515 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, § 14(51), Sept. 2, 1958, 72 Stat. 1271.

#### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 759 of this title as this section and substituted "Secretary" for "Administrator" in subsec. (a).

1986—Subsec. (a). Pub. L. 99-576 substituted "the applicant's" for "his" and "the applicant" for "he".

#### § 1960. Waiver of premium payments on due date

(a) The Secretary is authorized to provide by regulations for waiving the payment of premiums on United States Government life insurance on the due date thereof and the insurance may be deemed not to lapse in the cases of the following persons: (1) those who are confined in hospital under the Department for a compensable disability during the period while they are so confined; (2) those who are rated as temporarily totally disabled by reason of any injury or disease entitling them to compensation during the period of such total disability and while they are so rated; (3) those who, while mentally incompetent and for whom no legal guardian had been or has been appointed, allowed or may allow their insurance to lapse during the period for which they have been or hereafter may be rated mentally incompetent, or until a guardian has notified the Department of the guardian's qualification, but not later than six months after appointment of a guardian. In mentally incompetent cases the waiver is to be made without application and retroactive when necessary. Relief from payment of premiums on the due date thereof shall be for full calendar months, beginning with the month in which said confinement to hospital, the temporary total disability rating, or the mental incompetency began or begins and ending with that month during the half or major fraction of which such persons are no longer entitled to waiver as provided above.

(b) All premiums the payment of which when due is waived as provided in this section shall bear interest at the rate of 5 percent per annum, compounded annually, from the due date of each premium, and if not paid by the insured shall be deducted from the insurance in any settlement

thereunder, or when the same matures either because of permanent total disability or death. In the event any lien or other indebtedness established by this section or prior corresponding provision of law exists against any policy of United States Government life insurance in excess of the then cash surrender value thereof at the time of the termination of such policy of insurance for any reason other than by death or total permanent disability the Secretary is authorized to transfer and pay from the military and naval insurance appropriation to the United States Government Life Insurance Fund a sum equal to the amount such lien or indebtedness exceeds the then cash surrender value.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1163, § 760; Pub. L. 97-295, § 4(28), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, § 701(34), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1960 and amended Pub. L. 102-83, §§ 4(a)(3), (4), (b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

#### AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 760 of this title as this section.

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

Pub. L. 102-83, § 4(a)(3), (4), substituted "Department" for "Veterans' Administration" in two places.

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

1986—Subsec. (a). Pub. L. 99-576 substituted "the guardian's" for "his".

1982—Subsec. (b). Pub. L. 97-295 substituted "percent" for "per centum".

#### § 1961. Authority for higher interest rates for amounts payable to beneficiaries

Notwithstanding section 1944(b) of this title, if the beneficiary of an insurance policy issued under the provisions of this subchapter 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 such section. 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. Any such higher interest rate shall be paid on the unpaid balance of such monthly installments.

(Added Pub. L. 96-128, title III, § 303(a), Nov. 28, 1979, 93 Stat. 986, § 761; renumbered § 1961 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 761 of this title as this section.

Pub. L. 102-83, § 5(c)(1), substituted "1944(b)" for "744(b)".

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.