

first sentence, and "Servicemen's Group Life Insurance" for "this subchapter" in second sentence.

Subsec. (c). Pub. L. 93-289, §6(5), substituted "Servicemen's Group Life Insurance" for "any such insurance".

Subsec. (d)(1). Pub. L. 93-289, §6(6), substituted "Servicemen's Group Life Insurance" for "any insurance policy or policies purchased under section 766 of this title".

Subsec. (d)(3). Pub. L. 93-289, §10(2), capitalized "Operating Expenses".

Subsec. (e). Pub. L. 93-289, §6(7), added subsec. (e).

1970—Subsec. (a). Pub. L. 91-291, §4(1), separated provisions covering deduction of the cost of insurance from the pay of members into provisions covering such deduction in the case of persons on active duty or active duty for training under a call or order to such duty that does not specify a period of not less than thirty-one days and provisions covering such deduction in the case of persons on active duty or active duty for training under a call or order to such duty specifying a period of less than thirty-one days or persons authorized or required to perform inactive duty training scheduled in advance by competent authority and inserted provision for the collection of sums from individuals by the Secretary concerned.

Subsec. (b). Pub. L. 91-291, §4(1), substituted the mortality which members and former members of the uniform services concerned would have been under peacetime conditions as determined by the Administrator for the mortality of the male civilian population of the United States of the same age as the median age of members of the uniformed services as shown by the records of the uniformed services, the primary insurer or insurers, and the Department of Health, Education, and Welfare as the standard against which the excess mortality suffered by members of the uniformed services would be measured to determine the extent to which the cost of insurance was traceable to the extra hazard of active duty in the uniformed services.

Subsec. (d)(1). Pub. L. 91-291, §4(2), inserted reference to collection of sums by Secretary concerned.

#### EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-389, title IV, §403(e)(3), Oct. 10, 2008, 122 Stat. 4175, provided that: "The amendment made by subsection (c) [amending this section] shall take effect as if enacted on June 5, 2001, immediately after the enactment of the Veterans' Survivor Benefits Improvements Act of 2001 (Public Law 107-14; 115 Stat. 25)."

#### EFFECTIVE AND TERMINATION DATES OF 2005 AMENDMENTS

Amendment by Pub. L. 109-80 effective Aug. 31, 2005, and this section shall be applied as if section 1012 of Pub. L. 109-13 had not been enacted, see section 2 of Pub. L. 109-80, set out as a note under section 1967 of this title.

Amendment by Pub. L. 109-13 effective through the earlier of Dec. 31, 2005, or, with respect to certain sections of Public Law 109-13, the date of the enactment into law of legislation that supersedes the provisions of, or the amendments made by, those sections, see section 115 of Pub. L. 109-77, set out as a note under section 1967 of this title.

#### EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by Pub. L. 107-14 effective on the first day of the first month that begins more than 120 days after June 5, 2001, see section 4(g)(1) of Pub. L. 107-14, set out as a note under section 101 of this title.

#### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-106 effective Apr. 1, 1996, see section 647(c) of Pub. L. 104-106, set out as a note under section 1968 of this title.

#### EFFECTIVE DATE OF 1988 AMENDMENT

Pub. L. 100-322, title III, §332(b), May 20, 1988, 102 Stat. 537, provided that: "The amendment made by sub-

section (a) [amending this section] shall take effect with respect to premiums paid for periods beginning after June 30, 1988."

#### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-66 effective Oct. 17, 1981, see section 701(b)(1) of Pub. L. 97-66, set out as a note under section 1114 of this title.

#### 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.

### § 1970. Beneficiaries; payment of insurance

(a) Any amount of insurance under this subchapter in force on any member or former member on the date of the insured's death shall be paid, upon the establishment of a valid claim therefor, to the person or persons surviving at the date of the insured's death, in the following order of precedence:

First, to the beneficiary or beneficiaries as the member or former member may have designated by a writing received prior to death (1) in the uniformed services if insured under Servicemembers' Group Life Insurance, or (2) in the administrative office established under section 1966(b) of this title if separated or released from service, or if assigned to the Retired Reserve, and insured under Servicemembers' Group Life Insurance, or if insured under Veterans' Group Life Insurance;

Second, if there be no such beneficiary, to the widow or widower of such member or former member;

Third, if none of the above, to the child or children of such member or former member and descendants of deceased children by representation;

Fourth, if none of the above, to the parents of such member or former member or the survivor of them;

Fifth, if none of the above, to the duly appointed executor or administrator of the estate of such member or former member;

Sixth, if none of the above, to other next of kin of such member or former member entitled under the laws of domicile of such member or former member at the time of the insured's death.

(b) If any person otherwise entitled to payment under this section does not make claim therefor within one year after the death of the member or former member, or if payment to such person within that period is prohibited by Federal statute or regulation, payment may be made in the order of precedence as if such person had predeceased the member or former member, and any such payment shall be a bar to recovery by any other person.

(c) If, within two years after the death of the member or former member, no claim for payment has been filed by any person entitled under the order of precedence set forth in this section, and neither the Secretary nor the administrative office established by the insurance company or companies pursuant to section 1966(b) of this title has received any notice that any such claim will be made, payment may be made to a claimant as may in the judgment of the Secretary be equitably entitled thereto, and such

payment shall be a bar to recovery by any other person.

(d) The member may elect settlement of insurance under this subchapter either in a lump sum or in thirty-six equal monthly installments. If no such election is made by the member the beneficiary or beneficiaries may elect settlement either in a lump sum or in thirty-six equal monthly installments. If the member has elected settlement in a lump sum, the beneficiary or beneficiaries may elect settlement in thirty-six equal monthly installments.

(e) Until and unless otherwise changed, a beneficiary designation and settlement option filed by a member with the member's uniformed service under prior provisions of law will be effective with respect to the increased insurance authorized under the Veterans' Insurance Act of 1974 and the insurance shall be settled in the same proportionate amount as the portion designated for such beneficiary or beneficiaries bore to the amount of insurance heretofore in effect.

(f) Notwithstanding the provisions of any other law, payment of matured Servicemembers' Group Life Insurance or Veterans' Group Life Insurance benefits may be made directly to a minor widow or widower on his or her own behalf, and payment in such case shall be a complete acquittance to the insurer.

(g) Any payments due or to become due under Servicemembers' Group Life Insurance or Veterans' Group Life Insurance made to, or on account of, an insured or a beneficiary shall be exempt from taxation, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. The preceding sentence shall not apply to (1) collection of amounts not deducted from the member's pay, or collected from him by the Secretary concerned under section 1969(a) of this title, (2) levy under subchapter D of chapter 64 of the Internal Revenue Code of 1986 (26 U.S.C. 6331 et seq.) (relating to the seizure of property for collection of taxes), and (3) the taxation of any property purchased in part or wholly out of such payments.

(h) Insurance payable under this subchapter may not be paid in any amount to the extent that such amount would escheat to a State. Payment of insurance under this subchapter may not be made to the estate of the insured or the estate of any beneficiary of the insured unless it is affirmatively shown that any amount to be paid will not escheat to a State. Any amount to be paid under this subchapter shall be reduced to the extent necessary to comply with this subsection.

(i) Any amount of insurance in force on an insurable dependent of a member under this subchapter on the date of the dependent's death shall be paid, upon the establishment of a valid claim therefor, to the member or, in the event of the member's death before payment to the member can be made, then to the person or persons entitled to receive payment of the proceeds of insurance on the member's life under this subchapter.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 883, §770; amended Pub. L. 91-291, §5, June 25, 1970, 84 Stat. 330; Pub. L. 93-289, §7, May 24,

1974, 88 Stat. 169; Pub. L. 97-295, §4(31), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 97-306, title IV, §401(a), Oct. 14, 1982, 96 Stat. 1442; Pub. L. 99-576, title VII, §701(40), Oct. 28, 1986, 100 Stat. 3294; Pub. L. 102-54, §14(b)(17), June 13, 1991, 105 Stat. 284; renumbered §1970 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 104-275, title IV, §405(b)(1)(D), Oct. 9, 1996, 110 Stat. 3339; Pub. L. 105-368, title III, §302(b), Nov. 11, 1998, 112 Stat. 3333; Pub. L. 107-14, §4(e), June 5, 2001, 115 Stat. 29; Pub. L. 109-13, div. A, title I, §1012(g), May 11, 2005, 119 Stat. 246; Pub. L. 109-80, §2, Sept. 30, 2005, 119 Stat. 2045.)

#### REFERENCES IN TEXT

Veterans' Insurance Act of 1974, referred to in subsec. (e), is Pub. L. 93-289, May 24, 1974, 88 Stat. 165, as amended, which enacted sections 777, 778, and 779 [now 1977, 1978, and 1979] of this title, section 707 of Title 37, Pay and Allowances of the Uniformed Services, amended sections 723, 765, 767 to 771, and 774 [now 1923, 1965, 1967 to 1971, and 1974] of this title, and enacted provisions set out as notes under sections 723, 765, 767, and 768 [now 1923, 1965, 1967, and 1968] of this title and section 707 of Title 37. For complete classification of this Act to the Code, see Tables.

Subchapter D of chapter 64 of the Internal Revenue Code of 1986, referred to in subsec. (g)(3), is classified to subchapter D (§6331 et seq.) of chapter 64 of Title 26, Internal Revenue Code.

#### AMENDMENTS

2005—Subsec. (j). Pub. L. 109-13, §1012(g), which directed addition of subsec. (j), was repealed by Pub. L. 109-80. See Effective and Termination Dates of 2005 Amendments note below. Subsec. (j) read as follows: "A member with a spouse may not modify the beneficiary or beneficiaries designated by the member under subsection (a) without providing written notice of such modification to the spouse."

2001—Subsec. (i). Pub. L. 107-14 added subsec. (i).

1998—Subsec. (g). Pub. L. 105-368, in first sentence, substituted "Any payments" for "Payments of benefits" and inserted "an insured or" after "or on account of."

1996—Subsecs. (a), (f), (g). Pub. L. 104-275 substituted "Servicemembers' Group" for "Servicemen's Group" wherever appearing.

1991—Pub. L. 102-83, §5(a), renumbered section 770 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted "1966(b)" for "766(b)".

Subsec. (c). Pub. L. 102-83, §5(c)(1), substituted "1966(b)" for "766(b)".

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

Subsec. (g)(1). Pub. L. 102-83, §5(c)(1), substituted "1969(a)" for "769(a)".

Subsec. (g)(2). Pub. L. 102-54 substituted "Internal Revenue Code of 1986" for "Internal Revenue Code of 1954".

1986—Subsec. (a). Pub. L. 99-576, §701(40)(A), substituted "the insured's" for "his" in two places in introductory text and in one place in par. Sixth.

Subsec. (e). Pub. L. 99-576, §701(40)(B), substituted "the member's" for "his".

1982—Subsec. (c). Pub. L. 97-306, §401(a)(1), struck out provision that if, within four years after the death of the member or former member, payment had not been made pursuant to this section and no claim for payment by any person entitled under this section was pending, the amount payable would escheat to the credit of the revolving fund referred to in section 769(d) of this title.

Subsec. (g). Pub. L. 97-295 inserted "(26 U.S.C. 6331 et seq.)" after "Code of 1954".

Subsec. (h). Pub. L. 97-306, §401(a)(2), added subsec. (h).

1974—Subsec. (a). Pub. L. 93-289, §7(1), included in par. First writings received in the administrative office established under section 766(b) of this title if separated or released from service, or if assigned to the Retired Reserve, and insured under Servicemen's Group Life Insurance, or if insured under Veterans' Group Life Insurance.

Subsec. (e). Pub. L. 93-289, §7(2), substituted "the Veterans' Insurance Act of 1974" for "this amendatory Act".

Subsecs. (f), (g). Pub. L. 93-289, §7(3), included payment of benefits under Veterans' Group Life Insurance.

1970—Subsecs. (e) to (g). Pub. L. 91-291 added subsecs. (e) to (g).

#### EFFECTIVE AND TERMINATION DATES OF 2005 AMENDMENTS

Amendment by Pub. L. 109-80 effective Aug. 31, 2005, and this section shall be applied as if section 1012 of Pub. L. 109-13 had not been enacted, see section 2 of Pub. L. 109-80, set out as a note under section 1967 of this title.

Amendment by Pub. L. 109-13 effective through the earlier of Dec. 31, 2005, or, with respect to certain sections of Public Law 109-13, the date of the enactment into law of legislation that supersedes the provisions of, or the amendments made by, those sections, see section 115 of Pub. L. 109-77, set out as a note under section 1967 of this title.

#### EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by Pub. L. 107-14 effective on the first day of the first month that begins more than 120 days after June 5, 2001, see section 4(g)(1) of Pub. L. 107-14, set out as a note under section 101 of this title.

#### EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-368, title III, §302(c), Nov. 11, 1998, 112 Stat. 3333, provided that: "The amendments made by this section [enacting section 1980 of this title and amending this section] shall take effect 90 days after the date of the enactment of this Act [Nov. 11, 1998]."

#### EFFECTIVE DATE OF 1982 AMENDMENT

Pub. L. 97-306, title IV, §401(b), Oct. 14, 1982, 96 Stat. 1442, provided that: "The amendments made by subsection (a) [amending this section] shall take effect on October 1, 1982."

#### 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.

### § 1971. Basic tables of premiums; readjustment of rates

(a) Each policy or policies purchased under section 1966 of this title shall include for the first policy year a schedule of basic premium rates by age which the Secretary shall have determined on a basis consistent with the lowest schedule of basic premium rates generally charged for new group life insurance policies issued to large employers, this schedule of basic premium rates by age to be applied, except as otherwise provided in this section, to the distribution by age of the amount of group life insurance under the policy at its date of issue to determine an average basic premium per \$1,000 of insurance. Each policy so purchased shall also include provisions whereby the basic rates of premium determined for the first policy year shall be continued for subsequent policy years, except that they may be readjusted for any subsequent year, based on the experience under the

policy, such readjustment to be made by the insurance company or companies issuing the policy on a basis determined by the Secretary in advance of such year to be consistent with the general practice of life insurance companies under policies of group life insurance issued to large employers.

(b) The total premiums for Servicemembers' Group Life Insurance shall be the sum of the amounts computed according to the provisions of subsection (a) above and the estimated cost traceable to the extra hazard of active duty in the uniformed services as determined by the Secretary, subject to the provision that such estimated costs traceable to the extra hazard shall be retroactively readjusted annually in accordance with section 1969(b).

(c) Each policy so purchased shall include a provision that, in the event the Secretary determines that ascertaining the actual age distribution of the amounts of group life insurance in force at the date of issue of the policy or at the end of the first or any subsequent year of insurance thereunder would not be possible except at a disproportionately high expense, the Secretary may approve the determination of a tentative average group life premium, for the first or any subsequent policy year, in lieu of using the actual age distribution. Such tentative average premium rate shall be redetermined by the Secretary during any policy year upon request by the insurance company or companies issuing the policy, if experience indicates that the assumptions made in determining the tentative average premium rate for that policy year were incorrect.

(d) Each policy so purchased shall contain a provision stipulating the maximum expense and risk charges for the first policy year, which charges shall have been determined by the Secretary on a basis consistent with the general level of such charges made by life insurance companies under policies of group life insurance issued to large employers. Such maximum charges shall be continued from year to year, except that the Secretary may redetermine such maximum charges for any year either by agreement with the insurance company or companies issuing the policy or upon written notice given by the Secretary to such companies at least one year in advance of the beginning of the year for which such redetermined maximum charges will be effective.

(e) Each such policy shall provide for an accounting to the Secretary not later than ninety days after the end of each policy year, which shall set forth, in a form approved by the Secretary, (1) the amounts of premiums actually accrued under the policy from its date of issue to the end of such policy year, (2) the total of all mortality and other claim charges incurred for that period, and (3) the amounts of the insurers' expense and risk charge for that period. Any excess of the total of item (1) over the sum of items (2) and (3) shall be held by the insurance company or companies issuing the policy as a special contingency reserve to be used by such insurance company or companies for charges under such policy only, such reserve to bear interest at a rate to be determined in advance of each policy year by the insurance company or