

heretofore and hereafter made on such insurance shall be made directly from such appropriation. (Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1154, § 719; Pub. L. 98-160, title VII, § 702(5), Nov. 21, 1983, 97 Stat. 1009; renumbered § 1919 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 105-368, title III, § 304(a), Nov. 11, 1998, 112 Stat. 3334.)

## REFERENCES IN TEXT

The National Service Life Insurance Act of 1940, referred to in subsec. (a), is act Oct. 8, 1940, ch. 757, title VI, part I, 54 Stat. 1008, as amended, which was classified generally to chapter 13 (§ 801 et seq.) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this subchapter by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

Section 602(v)(i) of the National Service Life Insurance Act of 1940, referred to in subsec. (b), is section 602(v)(1) of act Oct. 8, 1940, ch. 757, title VI, pt. I, 54 Stat. 1009, which enacted section 802(v)(1) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as section 715 [now 1915] of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

## AMENDMENTS

1998—Subsec. (b). Pub. L. 105-368 substituted “section 602(v)(1)” for “sections 602(c)(2) and 602(v)(1)” and “under such section” for “under such sections”.

1991—Pub. L. 102-83 renumbered section 719 of this title as this section and substituted “Secretary” for “Administrator” in subsec. (a).

1983—Subsec. (b). Pub. L. 98-160 substituted “sections” for “subsections” after “issued or reinstated under” and after “waived under such”.

## EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-368, title III, § 304(b), Nov. 11, 1998, 112 Stat. 3334, provided that: “The amendments made by this section [amending this section] shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act [Nov. 11, 1998].”

**§ 1920. National Service Life Insurance Fund**

(a) The National Service Life Insurance Fund heretofore created in the Treasury is continued as a permanent trust fund. Except as otherwise provided in this chapter, all premiums paid on account of National Service Life Insurance shall be deposited and covered into the Treasury to the credit of such fund, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance, including payment of dividends and refunds of unearned premiums, and for the reimbursement of administrative costs under subsection (c). Payments from this fund shall be made upon and in accordance with awards by the Secretary.

(b) The Secretary is authorized to set aside out of such fund such reserve amounts as may be required under accepted actuarial principles to meet all liabilities under such insurance; and the Secretary of the Treasury is authorized to invest and reinvest such fund, or any part thereof, in interest-bearing obligations of the United States or in obligations guaranteed as to principal and interest by the United States, and to sell such obligations for the purposes of such fund.

(c)(1) For each fiscal year for which this subsection is in effect, the Secretary shall, from the National Service Life Insurance Fund, reim-

burse the “General operating expenses” account of the Department for the amount of administrative costs determined under paragraph (2) for that fiscal year. Such reimbursement shall be made from any surplus earnings for that fiscal year that are available for dividends on such insurance after claims have been paid and actuarially determined reserves have been set aside. However, if the amount of such administrative costs exceeds the amount of such surplus earnings, such reimbursement shall be made only to the extent of such surplus earnings.

(2) The Secretary shall determine the administrative costs to the Department for a fiscal year for which this subsection is in effect which, in the judgment of the Secretary, are properly allocable to the provision of National Service Life Insurance (and to the provision of any total disability income insurance added to the provision of such insurance).

(3) This subsection shall be in effect only with respect to fiscal year 1996.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1154, § 720; renumbered § 1920 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 104-99, title II, § 201(b), Jan. 26, 1996, 110 Stat. 36.)

## CODIFICATION

Amendment by Pub. L. 104-99 is based on section 107(1) of H.R. 2099, One Hundred Fourth Congress, as passed by the House of Representatives on Dec. 7, 1995, which was enacted into law by Pub. L. 104-99.

## AMENDMENTS

1996—Subsec. (a). Pub. L. 104-99 inserted “, and for the reimbursement of administrative costs under subsection (c)” after “unearned premiums”.

Subsec. (c). Pub. L. 104-99 added subsec. (c).

1991—Pub. L. 102-83 renumbered section 720 of this title as this section and substituted “Secretary” for “Administrator” in two places.

**§ 1921. Extra hazard costs**

(a) The United States shall bear the excess mortality cost and the cost of waiver of premiums on account of total disability traceable to the extra hazard of military or naval service, as such hazard may be determined by the Secretary.

(b) Whenever benefits under insurance become payable because of the death of the insured as the result of disease or injury traceable to the extra hazard of military or naval service, as such hazard may be determined by the Secretary, the liability for payment of such benefits shall be borne by the United States in an amount which, when added to the reserve of the policy at the time of death of the insured will equal the then value of such benefits under such policy. Where life contingencies are involved in the calculation of the value of such benefits of insurance heretofore or hereafter matured, the calculation of such liability or liabilities shall be based upon such mortality table or tables as the Secretary may prescribe with interest at the rate of 3 per centum per annum. The Secretary shall transfer from time to time from the National Service Life Insurance appropriation to the National Service Life Insurance Fund such sums as may be necessary to carry out the provisions of this section.

(c) Whenever the premiums under insurance are waived because of the total disability of the insured as the result of disease or injury traceable to the extra hazard of military or naval service, as such hazard may be determined by the Secretary, the premiums so waived shall be paid by the United States and the Secretary shall transfer from time to time an amount equal to the amount of such premiums from the National Service Life Insurance appropriation to the National Service Life Insurance Fund.

(d) Whenever benefits under the total disability income 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 National Service Life Insurance appropriation to the National Service 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 to transfer from the National Service Life Insurance Fund to the National Service Life 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 continue protection under the total disability income provision, the Secretary shall transfer to the National Service Life Insurance Fund a sum sufficient to set up the then required reserve on such total disability benefit.

(e) 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. 1154, § 721; renumbered § 1921 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. (e), 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 721 of this title as this section and substituted “Secretary” for “Administrator” wherever appearing in subsecs. (a) to (d).

#### § 1922. Service disabled veterans' insurance

(a) Any person who is released from active military, naval, or air service, under other than dishonorable conditions on or after April 25, 1951, and is found by the Secretary to be suffering from a disability or disabilities for which compensation would be payable if 10 per centum or more in degree and except for which such per-

son would be insurable according to the standards of good health established by the Secretary, shall, upon application in writing made within two years from the date service-connection of such disability is determined by the Secretary and payment of premiums as provided in this subchapter, be granted insurance by the United States against the death of such person occurring while such insurance is in force. If such a person is shown by evidence satisfactory to the Secretary to have been mentally incompetent during any part of the two-year period, application for insurance under this section may be filed within two years after a guardian is appointed or within two years after the removal of such disability as determined by the Secretary, whichever is the earlier date. If the guardian was appointed or the removal of the disability occurred before January 1, 1959, application for insurance under this section may be made within two years after that date. Insurance granted under this section shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance except (1) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (2) all cash, loan, paid-up, and extended values shall be based upon the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2¼ per centum per annum; (4) insurance granted under this section shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited directly to a revolving fund in the Treasury of the United States, and any payments on such insurance shall be made directly from such fund; and (5) administrative support financed by the appropriations for “General Operating Expenses, Department of Veterans Affairs” and “Information Technology Systems, Department of Veterans Affairs” for the program of insurance under this section shall be paid from premiums credited to the fund under paragraph (4), and payments for claims against the fund under paragraph (4) for amounts in excess of amounts credited to such fund under that paragraph (after such administrative costs have been paid) shall be paid from appropriations to the fund. Appropriations to such fund are hereby authorized. As to insurance issued under this section, waiver of premiums pursuant to section 602(n) of the National Service Life Insurance Act of 1940 and section 1912 of this title shall not be denied on the ground that the service-connected disability became total before the effective date of such insurance.

(b)(1) Any person who, on or after April 25, 1951, was otherwise qualified for insurance under the provisions of section 620 of the National Service Life Insurance Act of 1940, or under subsection (a) of this section, but who did not apply for such insurance and who is shown by evidence satisfactory to the Secretary (A) to have been mentally incompetent from a service-connected disability, (i) at the time of release from active service, or (ii) during any part of the two-year