

mination 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 premium term plan into ordinary life, twenty-payment life, endowment maturing at age sixty-two, and into other usual forms of insurance as

may be prescribed by the Secretary. Provision shall be made for reconversion of any such policies to a higher premium rate or, upon proof of good health satisfactory to the Secretary, to a lower premium rate, in accordance with regulations to be issued by the Secretary. No reconversion shall be made to a five-year level premium term policy.

(b) An insured who on or after the insured's sixty-fifth birthday has a five-year level premium term policy of insurance in force by payment of premiums may exchange such policy for insurance on a special endowment at age ninety-six plan upon written application; payment of the required premium; and surrender of the five-year level premium term policy and any total disability provision attached thereto with all rights, title, and interests thereunder. However, if it is found by the Secretary subsequent to the exchange that prior thereto the term policy matured because of total permanent disability of the insured or that the insured was entitled to total disability benefits under the total disability provision attached to such policy, the insured, upon surrender of the special endowment at age ninety-six policy and any provision for waiver of premiums issued under subsection (c) of this section with all rights, title, and interest thereunder, will be entitled to benefits payable under the prior contract. In such case, the cash value less any indebtedness on the endowment policy shall be refunded together with any premiums paid on a provision for waiver of premiums. Insurance on the special endowment at age ninety-six plan shall be issued at the attained age of the insured upon the same terms and conditions as are contained in standard policies of United States Government Life Insurance except:

(1) the insurance shall not mature and no benefits shall be paid thereunder because of total permanent disability;

(2) the premiums for such insurance shall be as prescribed by the Secretary;

(3) such insurance cannot be exchanged, converted, or reconverted to any other plan of insurance;

(4) all cash, loan, paid-up, and extended term insurance values shall be as prescribed by the Secretary; and

(5) the insurance shall be subject to such other changes in terms and conditions as the Secretary determines to be reasonable and practicable.

(c) The Secretary shall, upon application made by the insured at the same time as the insured exchanges the term policy for an endowment policy issued under the provisions of subsection (b) of this section, and upon payment of such extra premium as the Secretary shall prescribe, include in such endowment policy a provision for waiver of premiums on the policy and on the provision during the total permanent disability of the insured, if such disability began after the date of such application and while the policy and the provision are in force by payment of premiums. The Secretary shall not grant waiver of any premium becoming due more than one year before receipt by the Secretary of claim for the same, except as provided in this subsection. Any premiums paid for months during which