

INTERIM COVERAGE UNTIL EFFECTIVE DATE OF GROUP PLAN; \$5,000 DEATH GRATUITY

Pub. L. 89-214, §3, Sept. 29, 1965, 79 Stat. 886, as amended by Pub. L. 89-730, §6(a)-(d), Nov. 2, 1966, 80 Stat. 1159, provided for payment of a death gratuity of up to \$5,000 in certain cases of death of veterans while in active military, naval, or air service during the period from Jan. 1, 1957, to the date immediately preceding the date on which the Servicemen's Group Life Insurance program was placed in effect under this section, and required that an application for such gratuity had to be made within one year after Sept. 29, 1965.

Pub. L. 89-730, §6(e), Nov. 2, 1966, 80 Stat. 1159, provided that any waiver of future benefits executed by any person under section 3(a) of Pub. L. 89-214 (see above), as in effect prior to Nov. 2, 1966, was to have no effect.

Pub. L. 89-730, §6(f), Nov. 2, 1966, 80 Stat. 1159, provided that in any case in which the death gratuity paid to any person under section 3 of Pub. L. 89-214 (see above), was reduced pursuant to clause (B) of subsection (c)(1) of such section, as in effect prior to Nov. 2, 1966, the Administrator of Veterans' Affairs was to pay to such person an amount equal to the amount by which such death gratuity was reduced.

Pub. L. 89-730, §6(g), Nov. 2, 1966, 80 Stat. 1159, provided that notwithstanding the time limitation prescribed in section 3(a) of Pub. L. 89-214 (see above), any application for death gratuity filed under such section shall be valid if filed within one year after Nov. 2, 1966.

### § 1977. Veterans' Group Life Insurance

(a)(1) Except as provided in paragraph (3), Veterans' Group Life Insurance shall be issued in the amounts specified in section 1967(a) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemembers' Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 1967(b) or 1968(a) of this title. No person may carry a combined amount of Servicemembers' Group Life Insurance and Veterans' Group Life Insurance at any one time in excess of the maximum amount for Servicemembers' Group Life Insurance in effect under section 1967(a)(3)(A)(i) of this title.

(2) If any person insured under Veterans' Group Life Insurance again becomes insured under Servicemembers' Group Life Insurance but dies before terminating or converting such person's Veterans' Group Insurance, Veterans' Group Life Insurance shall be payable only if such person is insured under Servicemembers' Group Life Insurance for less than the maximum amount for such insurance in effect under section 1967(a)(3)(A)(i) of this title, and then only in an amount which, when added to the amount of Servicemembers' Group Life Insurance payable, does not exceed such maximum amount in effect under such section.

(3) Not more than once in each five-year period beginning on the one-year anniversary of the date a person becomes insured under Veterans' Group Life Insurance, such person may elect in writing to increase by \$25,000 the amount for which the person is insured if—

(A) the person is under the age of 60; and

(B) the total amount for which the person is insured does not exceed the amount provided for under section 1967(a)(3)(A)(i) of this title.

(b) Veterans' Group Life Insurance shall (1) provide protection against death; (2) be issued

on a renewable five-year term basis; (3) have no cash, loan, paid-up, or extended values; (4) except as otherwise provided, lapse for nonpayment of premiums; and (5) contain such other terms and conditions as the Secretary determines to be reasonable and practicable which are not specifically provided for in this section, including any provisions of this subchapter not specifically made inapplicable by the provisions of this section.

(c) The premiums for Veterans' Group Life Insurance shall be established under the criteria set forth in sections 1971(a) and (c) of this title, except that the Secretary may provide for average premiums for such various age groupings as the Secretary may decide to be necessary according to sound actuarial principles, and shall include an amount necessary to cover the administrative cost of such insurance to the company or companies issuing such insurance. Such premiums shall be payable by the insureds thereunder as provided by the Secretary directly to the administrative office established for such insurance under section 1966(b) of this title. In any case in which a member or former member who was mentally incompetent on the date such member or former member first became insured under Veterans' Group Life Insurance dies within one year of such date, such insurance shall be deemed not to have lapsed for nonpayment of premiums and to have been in force on the date of death. Where insurance is in force under the preceding sentence, any unpaid premiums may be deducted from the proceeds of the insurance. Any person who claims eligibility for Veterans' Group Life Insurance based on disability incurred during a period of duty shall be required to submit evidence of qualifying health conditions and, if required, to submit to physical examinations at their own expense.

(d) Any amount of Veterans' Group Life Insurance in force on any person on the date of such person's death shall be paid, upon the establishment of a valid claim therefor, pursuant to the provisions of section 1970 of this title. However, any designation of beneficiary or beneficiaries for Servicemembers' Group Life Insurance filed with a uniformed service until changed, shall be considered a designation of beneficiary or beneficiaries for Veterans' Group Life Insurance, but not for more than sixty days after the effective date of the insured's Veterans' Group Insurance, unless at the end of such sixty-day period, the insured is incompetent in which event such designation may continue in force until the disability is removed but not for more than five years after the effective date of the insured's Veterans' Group Life Insurance. Except as indicated above in incompetent cases, after such sixty-day period, any designation of beneficiary or beneficiaries for Veterans' Group Life Insurance to be effective must be by a writing signed by the insured and received by the administrative office established under section 1966(b) of this title.

(e) An insured under Veterans' Group Life Insurance shall have the right at any time to convert such insurance to an individual policy of life insurance upon written application for conversion made to the participating company the insured selects and payment of the required pre-

miums. The individual policy will be issued without medical examination on a plan then currently written by such company which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums in the event the insured performs active duty, active duty for training, or inactive duty training. The Veterans' Group Life Insurance policy converted to an individual policy under this subsection shall terminate on the day before the date on which the individual policy becomes effective. Upon request to the administrative office established under section 1966(b) of this title, an insured under Veterans' Group Life Insurance shall be furnished a list of life insurance companies participating in the program established under this subchapter. In addition to the life insurance companies participating in the program established under this subchapter, the list furnished to an insured under this section shall include additional life insurance companies (not so participating) which meet qualifying criteria, terms, and conditions established by the Secretary and agree to sell insurance to former members in accordance with the provisions of this section.

(f) The provisions of subsections (d) and (e) of section 1971 of this title shall be applicable to Veterans' Group Life Insurance. However, a separate accounting shall be required for each program of insurance authorized under this subchapter. In such accounting, the Secretary is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

(g) Any person whose Servicemembers' Group Life Insurance was continued in force after termination of duty or discharge from service under the law as in effect prior to the date on which the Veterans' Group Life Insurance program (provided for under section 1977 of this title) became effective, and whose coverage under Servicemembers' Group Life Insurance terminated less than four years prior to such date, shall be eligible within one year from the effective date of the Veterans' Group Life Insurance program to apply for and be granted Veterans' Group Life Insurance in an amount equal to the amount of the insured's Servicemembers' Group Life Insurance which was not converted to an individual policy under prior law. Veterans' Group Life Insurance issued under this subsection shall be issued for a term period equal to five years, less the time elapsing between the termination of the applicant's Servicemembers' Group Life Insurance and the effective date on which the Veterans' Group Life Insurance program became effective. Veterans' Group Life Insurance under this subsection shall only be issued upon application to the administrative office established under section 1966(b) of this title, payment of the required premium, and proof of good health satisfactory to that office, which proof shall be submitted at the applicant's own expense. Any person who cannot meet the good health requirements for insurance under this subsection solely because of a service-connected disability shall have such disability waived. For each month for which any eligible veteran, whose service-connected dis-

abilities are waived, is insured under this subsection there shall be contributed to the insurer or insurers issuing the policy or policies from the appropriation "Compensation and Pensions, Department of Veterans Affairs" an amount necessary to cover the cost of the insurance in excess of the premiums established for eligible veterans, including the cost of the excess mortality attributable to such veteran's service-connected disabilities. The Secretary may establish, as the Secretary may determine to be necessary according to sound actuarial principles, a separate premium, age groupings for premium purposes, accounting, and reserves, for persons granted insurance under this subsection different from those established for other persons granted insurance under this section. Appropriations to carry out the purpose of this section are hereby authorized.

(h)(1) Notwithstanding any other provision of law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Secretary and the payment of premiums as required under this section.

(2) In accordance with subsection (b), Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

(3) For the purpose of this subsection, the terms "Individual Ready Reserve" and "Inactive National Guard" shall have the meanings prescribed by the Secretary in consultation with the Secretary of Defense.

(Added Pub. L. 93-289, §9(a), May 24, 1974, 88 Stat. 169, §777; amended Pub. L. 97-66, title IV, §401(b), Oct. 17, 1981, 95 Stat. 1031; Pub. L. 99-166, title IV, §401(b), Dec. 3, 1985, 99 Stat. 957; Pub. L. 99-576, title VII, §701(43), Oct. 28, 1986, 100 Stat. 3294; Pub. L. 102-25, title III, §336(b), Apr. 6, 1991, 105 Stat. 90; renumbered §1977 and amended Pub. L. 102-83, §§4(a)(2)(B)(iii), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403-406; Pub. L. 102-568, title II, §202, Oct. 29, 1992, 106 Stat. 4324; Pub. L. 103-446, title XII, §1201(e)(9), Nov. 2, 1994, 108 Stat. 4685; Pub. L. 104-275, title IV, §§403(b), 405(b)(1)(H), 406, Oct. 9, 1996, 110 Stat. 3338-3340; Pub. L. 106-419, title III, §312(b), Nov. 1, 2000, 114 Stat. 1854; Pub. L. 109-13, div. A, title I, §1012(e), May 11, 2005, 119 Stat. 245; Pub. L. 109-80, §§2, 3(b), Sept. 30, 2005, 119 Stat. 2045; Pub. L. 111-275, title IV, §404(a), Oct. 13, 2010, 124 Stat. 2879.)

#### AMENDMENTS

2010—Subsec. (a)(1). Pub. L. 111-275, §404(a)(1), inserted "Except as provided in paragraph (3)," before "Veterans' Group Life Insurance shall be".

Subsec. (a)(3). Pub. L. 111-275, §404(a)(2), added par. (3).

2005—Subsec. (a)(1). Pub. L. 109-80, §3(b)(1), substituted "at any one time in excess of the maximum amount for Servicemembers' Group Life Insurance in effect under section 1967(a)(3)(A)(i) of this title" for "in excess of \$250,000 at any one time".

Pub. L. 109-13, §1012(e), which directed substitution of "\$400,000" for "\$250,000" and insertion of "Any addi-

tional amount of insurance provided a member under section 1967(e) of this title may not be treated as an amount for which Veterans' Group Life Insurance shall be issued under this section." at end, was repealed by Pub. L. 109-80, § 2. See Effective and Termination Dates of 2005 Amendments note below.

Subsec. (a)(2). Pub. L. 109-80, § 3(b)(2), substituted "under Servicemembers' Group Life Insurance for less than the maximum amount for such insurance in effect under section 1967(a)(3)(A)(i) of this title" for "for less than \$250,000 under Servicemembers' Group Life Insurance" and "does not exceed such maximum amount in effect under such section" for "does not exceed \$250,000".

Pub. L. 109-13, § 1012(e)(1), which directed substitution of "\$400,000" for "\$250,000" in two places, was repealed by Pub. L. 109-80, § 2. See Effective and Termination Dates of 2005 Amendments note below.

2000—Subsec. (a). Pub. L. 106-419 substituted "\$250,000" for "\$200,000" in par. (1) and two places in par. (2).

1996—Subsec. (a). Pub. L. 104-275, § 403(b)(1), designated existing provisions as par. (1), struck out at end "Any person insured under Veterans' Group Life Insurance who again becomes insured under Servicemen's Group Life Insurance may within 60 days after becoming so insured convert any or all of such person's Veterans' Group Life Insurance to an individual policy of insurance under subsection (e). However, if such a person dies within the 60-day period and before converting such person's Veterans' Group Life Insurance, Veterans' Group Life Insurance will be payable only if such person is insured for less than \$200,000 under Servicemen's Group Life Insurance, and then only in an amount which when added to the amount of Servicemen's Group Life Insurance payable shall not exceed \$200,000.", and added par. (2).

Subsec. (a)(1). Pub. L. 104-275, § 406, struck out "and (e)" after "section 1967(a)" and after "section 1967(b)".

Pub. L. 104-275, § 405(b)(1)(H), substituted "Servicemembers' Group" for "Servicemen's Group" in two places.

Subsec. (d). Pub. L. 104-275, § 405(b)(1)(H), substituted "Servicemembers' Group" for "Servicemen's Group".

Subsec. (e). Pub. L. 104-275, § 403(b)(2), inserted "at any time" after "shall have the right" in first sentence and substituted as third sentence "The Veterans' Group Life Insurance policy converted to an individual policy under this subsection shall terminate on the day before the date on which the individual policy becomes effective." for "The individual policy will be effective the day after the insured's Veterans' Group Life Insurance terminates by expiration of the five-year term period, except in a case where the insured is eligible to convert at an earlier date by reason of again having become insured under Servicemen's Group Life Insurance, in which event the effective date of the individual policy may not be later than the sixty-first day after the insured again became so insured."

Subsec. (g). Pub. L. 104-275, § 405(b)(1)(H), substituted "Servicemembers' Group" for "Servicemen's Group" wherever appearing.

1994—Subsec. (f). Pub. L. 103-446 substituted "subsections (d) and (e) of section 1971" for "sections 1971(d) and (e)".

1992—Subsec. (a). Pub. L. 102-568, § 202(1), inserted "and (e)" after "1967(a)" and after "1967(b)", substituted "\$200,000" for "\$100,000" wherever appearing, "60 days" for "sixty days", and "60-day period" for "sixty-day period", and struck out "of this section" after "subsection (e)".

Subsec. (b)(2). Pub. L. 102-568, § 202(2), substituted "renewable" for "nonrenewable".

Subsec. (h)(2). Pub. L. 102-568, § 202(3), substituted "In accordance with subsection (b)" for "Notwithstanding subsection (b)(2) of this section".

1991—Pub. L. 102-83, § 5(a), renumbered section 777 of this title as this section.

Subsec. (a). Pub. L. 102-83, § 5(c)(1), substituted "1967(a)" for "767(a)" and "1967(b) or 1968(a)" for "767(b) or 768(a)".

Pub. L. 102-25 substituted "\$100,000" for "\$50,000" 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 "1971(a)" for "771(a)" and "1966(b)" for "766(b)".

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

Subsec. (d). Pub. L. 102-83, § 5(c)(1), substituted "1970" for "770" and "1966(b)" for "766(b)".

Subsec. (e). 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".

Subsec. (f). Pub. L. 102-83, § 5(c)(1), substituted "1971(d)" for "771(d)".

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

Subsec. (g). Pub. L. 102-83, § 5(c)(1), substituted "1977" for "777" and "1966(b)" for "766(b)".

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

Pub. L. 102-83, § 4(a)(2)(B)(iii), substituted "Department of Veterans Affairs" for "Veterans' Administration".

Subsec. (h)(1), (3). Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

1986—Subsec. (a). Pub. L. 99-576, § 701(43)(A), substituted "such person's" for "his" in two places and "such person" for "he".

Subsec. (c). Pub. L. 99-576, § 701(43)(B), substituted "the Administrator" for "he" in first sentence and "such member or former member" for "he" in third sentence.

Subsec. (d). Pub. L. 99-576, § 701(43)(C), substituted "such person's" for "his".

Subsec. (e). Pub. L. 99-576, § 701(43)(D), substituted "the insured" for "he" in first and third sentences.

Subsec. (g). Pub. L. 99-576, § 701(43)(E), substituted "the insured's" for "his" and "the Administrator" for "he".

1985—Subsec. (a). Pub. L. 99-166, § 401(b)(1), substituted "Veterans' Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of this title" for "Veterans' Group Life Insurance shall be issued in the amount of \$5,000, \$10,000, \$15,000, \$20,000, \$25,000, \$30,000 or \$35,000 only" and "\$50,000" for "\$35,000" in three places.

Subsec. (h). Pub. L. 99-166, § 401(b)(2), added subsec. (h).

1981—Subsec. (a). Pub. L. 97-66 inserted figures of \$25,000, \$30,000, and \$35,000 to the enumeration of allowable amounts in which Veterans' Group Life Insurance may be issued, and substituted \$35,000 for \$20,000 as the maximum amount of combined Servicemen's Group Life Insurance and Veterans' Group Life Insurance which a person may carry at any one time and as the figure covering situations in which a person insured under Veterans' Group Life Insurance dies within the sixty-day period after having again become insured under Servicemen's Group Life Insurance before converting his Veterans' Group Life Insurance to an individual policy.

#### EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-275, title IV, § 404(b), Oct. 13, 2010, 124 Stat. 2880, provided that: "Paragraph (3) of section 1977(a) of title 38, United States Code, as added by subsection (a), shall take effect on the date that is 180 days after the date of the enactment of this Act [Oct. 13, 2010]."

#### EFFECTIVE AND TERMINATION DATES OF 2005 AMENDMENTS

Amendment by section 2 of Pub. L. 109-80 effective Aug. 31, 2005, and this section shall be applied as if sec-

tion 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 section 3(b) of Pub. L. 109-80 effective Sept. 1, 2005, and applicable with respect to deaths occurring on or after that date, see section 3(c) 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 2000 AMENDMENT

Amendment by Pub. L. 106-419 effective on the first day of the first month that begins more than 120 days after Nov. 1, 2000, see section 312(c) of Pub. L. 106-419, set out as a note under section 1967 of this title.

#### EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-568 effective Dec. 1, 1992, see section 205 of Pub. L. 102-568, set out as an Effective Date note under section 1922A of this title.

#### EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-166 effective Jan. 1, 1986, see section 401(c)(1) of Pub. L. 99-166, set out as a note under section 1967 of this title.

#### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-66 effective Dec. 1, 1981, see section 701(b)(2) of Pub. L. 97-66, set out as a note under section 1114 of this title.

#### EFFECTIVE DATE

Section effective first day of third calendar month following May 1974, see section 12(4) of Pub. L. 93-289, set out as an Effective Date of 1974 Amendment note under section 1968 of this title.

### § 1978. Reinstatement

Reinstatement of insurance coverage granted under this subchapter but lapsed for nonpayment of premiums shall be under terms and conditions prescribed by the Secretary.

(Added Pub. L. 93-289, §9(a), May 24, 1974, 88 Stat. 172, §778; renumbered §1978 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 778 of this title as this section and substituted “Secretary” for “Administrator”.

#### EFFECTIVE DATE

Section effective first day of third calendar month following May 1974, see section 12(4) of Pub. L. 93-289, set out as an Effective Date of 1974 Amendment note under section 1968 of this title.

### § 1979. Incontestability

Subject to the provision of section 1973 of this title, insurance coverage granted under this subchapter shall be incontestable from the date of issue, reinstatement, or conversion except for fraud or nonpayment of premium.

(Added Pub. L. 93-289, §9(a), May 24, 1974, 88 Stat. 172, §779; renumbered §1979 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406.)

#### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 779 of this title as this section and substituted “1973” for “773”.

#### EFFECTIVE DATE

Section effective first day of third calendar month following May 1974, see section 12(4) of Pub. L. 93-289, set out as an Effective Date of 1974 Amendment note under section 1968 of this title.

### § 1980. Option to receive accelerated death benefit

(a) For the purpose of this section, a person shall be considered to be terminally ill if the person has a medical prognosis such that the life expectancy of the person is less than a period prescribed by the Secretary. The maximum length of such period may not exceed 12 months.

(b)(1) A terminally ill person insured under Servicemembers' Group Life Insurance or Veterans' Group Life Insurance may elect to receive in a lump-sum payment a portion of the face value of the insurance as an accelerated death benefit.

(2) The Secretary shall prescribe the maximum amount of the accelerated death benefit available under this section that the Secretary finds to be administratively practicable and actuarially sound, but in no event may the amount of the benefit exceed the amount equal to 50 percent of the face value of the person's insurance in force on the date the election of the person to receive the benefit is approved.

(3) A person making an election under this section may elect to receive an amount that is less than the maximum amount prescribed under paragraph (2). The Secretary shall prescribe the increments in which a reduced amount under this paragraph may be elected.

(c) The portion of the face value of insurance which is not paid in a lump sum as an accelerated death benefit under this section shall remain payable in accordance with the provisions of this chapter.

(d) Deductions under section 1969 of this title and premiums under section 1977(c) of this title shall be reduced, in a manner consistent with the percentage reduction in the face value of the insurance as a result of payment of an accelerated death benefit under this section, effective with respect to any amounts which would otherwise become due on or after the date of payment under this section.

(e) The Secretary shall prescribe regulations to carry out this section. Such regulations shall include provisions regarding—

(1) the form and manner in which an application for an election under this section shall be made; and

(2) the procedures under which any such application shall be considered.

(f)(1) An election to receive a benefit under this section shall be irrevocable.

(2) A person may not make more than one election under this section, even if the election of the person is to receive less than the maximum amount of the benefit available to the person under this section.

(g) If a person insured under Servicemembers' Group Life Insurance elects to receive a benefit under this section and the person's Servicemembers' Group Life Insurance is thereafter converted to Veterans' Group Life Insurance as provided in section 1968(b) of this title, the