

1986—Pub. L. 99-576 substituted “the insured’s” for “his”.

1970—Pub. L. 91-291 struck out effective date provision for renewal of policies, provisions that, in case of lapsed policies, such lapse have occurred within two months before the expiration of the term period, special provisions for the interim period between July 23, 1953 and December 31, 1953, and provisions that the section take effect on Sept. 2, 1958, and required that the insurer make application for reinstatement and renewal of his term policy within five years after the date of the lapse.

#### 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.

### § 1946. Dividends to pay premiums

Until and unless the Secretary has received from the insured a request in writing for payment of dividends in cash or that the dividends be placed on deposit in accordance with the provisions of the insured’s policy, any regular annual dividends shall be applied in payment of premiums becoming due on insurance after the date the dividend is payable on or after December 31, 1958.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1159, § 746; Pub. L. 99-576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1946 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(iii)(V), 5(a), Aug. 6, 1991, 105 Stat. 403, 406.)

#### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 746 of this title as this section and substituted “Secretary” for “Veterans’ Administration”.

1986—Pub. L. 99-576 substituted “the insured’s” for “his”.

### § 1947. Incontestability

Subject to the provisions of section 1954 of this title all contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issuance, reinstatement, or conversion, except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces of the United States. The insured under such contract or policy may, without prejudicing the insured’s rights, elect to make claim to the Department or to bring suit under section 1984 of this title on any prior contract or policy, and if found entitled thereto, shall, upon surrender of any subsequent contract or policy, be entitled to payments under the prior contract or policy. In any case in which a contract or policy of insurance is canceled or voided after March 16, 1954, because of fraud, the Secretary shall refund to the insured, if living, or, if deceased, to the person designated as beneficiary (or if none survives, to the estate of the insured) all money, without interest, paid as premiums on such contract or policy for any period subsequent to two years after the date such fraud induced the Secretary to issue, reinstate, or convert such insurance less any dividends, loan, or other payment made to the insured under such contract or policy.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1159, § 747; Pub. L. 99-576, title VII, § 701(30), Oct. 28, 1986, 100

Stat. 3293; renumbered § 1947 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(iii)(VI), (3), (4), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403-406.)

#### AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 747 of this title as this section.

Pub. L. 102-83, § 5(c)(1), substituted “1954” for “754” and “1984” for “784”.

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted “Secretary” for “Administrator” before “shall” in last sentence.

Pub. L. 102-83, § 4(a)(3), (4), substituted “Department” for “Veterans’ Administration”.

Pub. L. 102-83, § 4(a)(2)(A)(iii)(VI), substituted “Secretary” for “Veterans’ Administration” before “to issue” in last sentence.

1986—Pub. L. 99-576 substituted “the insured’s” for “his”.

### § 1948. Total disability provision

The Secretary shall include in United States Government life insurance policies provision whereby an insured, who is totally disabled as a result of disease or injury for a period of four consecutive months or more before attaining the age of sixty-five years and before default in payment of any premium, shall be paid disability benefits at the rate of \$5.75 monthly for each \$1,000 of insurance in force when total disability benefits become payable. The amount of such monthly payment under the provisions of this section shall not be reduced because of payment of permanent and total disability benefits under the insurance policy. Such payments shall be effective as of the first day of the fifth consecutive month, and shall be made monthly during the continuance of such total disability. Such payments shall be concurrent with or independent of permanent and total disability benefits under the insurance policy. In addition to the monthly disability benefits the payment of premiums on the life insurance and for the total disability benefits authorized by this section shall be waived during the continuance of such total disability. Regulations shall provide for reexaminations of beneficiaries under this section; and, in the event that it is found that an insured is no longer totally disabled, the waiver of premiums and payment of benefits shall cease and the insurance policy, including the total disability provision, may be continued by payment of premiums as provided in said policy and the total disability provision. Neither the dividends nor the amount payable in any settlement under any United States Government life insurance policy shall be decreased because of disability benefits granted under the provisions of this section. The payment of total disability benefits shall not prejudice the right of any insured, who is totally and permanently disabled, to permanent and total disability benefits under the insured’s insurance policy. The provision authorized by this section shall not be included in any United States Government life insurance policy heretofore or hereafter issued, except upon application, payment of premium by the insured, and proof of good health satisfactory to the Secretary. The benefit granted under this section shall be on the basis of multiples of \$500, and not less than \$1,000 or more than the amount of insurance in force at time of application. The Sec-

retary shall determine the amount of the monthly premium to cover the benefits of this section, and in order to continue such benefits in force the monthly premiums shall be payable until the insured attains the age of sixty-five years or until the prior maturity of the policy. In all other respects such monthly premium shall be payable under the same terms and conditions as the regular monthly premium on the United States Government life insurance policy.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1159, § 748; Pub. L. 97-295, § 4(27), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1948 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 748 of this title as this section and substituted “Secretary” for “Administrator” wherever appearing.

1986—Pub. L. 99-576 substituted “the insured’s” for “his”.

1982—Pub. L. 97-295 substituted “premium” for “permium” after “payment of”.

### § 1949. Change of beneficiary

Subject to regulations, the insured shall at all times have the right to change the beneficiary or beneficiaries of a United States Government life insurance policy without the consent of such beneficiary or beneficiaries.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1160, § 749; renumbered § 1949, Pub. L. 102-83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

#### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 749 of this title as this section.

### § 1950. Payment to estates

If no beneficiary of insurance is designated by the insured, either while alive or by last will, or if the designated beneficiary does not survive the insured, then there shall be paid to the estate of the insured the present value of the remaining unpaid monthly installments. If the designated beneficiary survives the insured and dies before receiving all of the installments of insurance payable and applicable, then there shall be paid to the estate of such beneficiary the present value of the remaining unpaid monthly installments. No payments shall be made to any estate which under the laws of the residence of the insured or the beneficiary, as the case may be, would escheat, but same shall escheat to the United States and be credited to the United States Government Life Insurance Fund.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1160, § 750; Pub. L. 99-576, title VII, § 701(31), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1950, Pub. L. 102-83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

#### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 750 of this title as this section.

1986—Pub. L. 99-576 substituted “while alive or by last will” for “in his lifetime or by his last will and testament”.

### § 1951. Payment of insurance

United States Government life insurance, except as provided in this subchapter, shall be payable in two hundred and forty equal monthly installments. When the amount of an individual monthly payment is less than \$5, such amount may in the discretion of the Secretary be allowed to accumulate without interest and be disbursed annually.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1161, § 751; renumbered § 1951 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 751 of this title as this section and substituted “Secretary” for “Administrator”.

### § 1952. Optional settlement

(a) The Secretary may provide in insurance contracts for optional settlements, to be selected by the insured, whereby such insurance may be made payable either in one sum or in installments for thirty-six months or more. A provision may also be included in such contracts authorizing the beneficiary to elect to receive payment of the insurance in installments for thirty-six months or more, but only if the insured has not exercised the right of election as provided in this subchapter. Even though the insured may have exercised the right of election the beneficiary may elect to receive such insurance in installments spread over a greater period of time than that selected by the insured. Notwithstanding any provision to the contrary in any insurance contract, the beneficiary may, in the case of insurance maturing after September 30, 1981, and for which the insured has not exercised the right of election of the insured as provided in this subchapter, elect to receive payment of the insurance in one sum.

(b) Under such regulations as the Secretary may promulgate, the cash surrender value of any policy of insurance or the proceeds of an endowment contract which matures by reason of completion of the endowment period may be paid to the insured (1) in equal monthly installments of from thirty-six to two hundred and forty in number, in multiples of twelve; or (2) as a refund life income in monthly installments payable for such periods certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the cash value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the insured. However, all settlements under option (2) above shall be calculated on the basis of The Annuity Table for 1949. If the option selected requires payment of monthly installments of less than \$10, the amount payable shall be paid in such maximum number of monthly installments as are a multiple of twelve as will provide a monthly installment of not less than \$10.

(c)(1) Following the death of the insured and in a case not covered by section 1950 of this title—

(A) if the first beneficiary otherwise entitled to payment of the insurance does not make a