

116TH CONGRESS
2D SESSION

H. R. 6013

To amend title 38, United States Code, to modernize service-disabled veterans insurance.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2020

Mr. BOST (for himself and Miss RICE of New York) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to modernize service-disabled veterans insurance.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veteran Families Fi-
5 nancial Support Act”.

6 **SEC. 2. MODERNIZATION OF SERVICE-DISABLED VETERANS**
7 **INSURANCE.**

8 (a) ESTABLISHMENT OF MODERNIZED PROGRAM.—

1 (1) IN GENERAL.—Chapter 19 of title 38,
2 United States Code, is amended by inserting after
3 section 1922A the following new section:

4 **“§ 1922B. Service-disabled veterans insurance**

5 “(a) INSURANCE.—(1) Beginning January 1, 2023,
6 the Secretary of Veterans Affairs shall carry out a service-
7 disabled veterans insurance program under which a vet-
8 eran is granted insurance by the United States against
9 the death of such individual occurring while such insur-
10 ance is in force.

11 “(2) The Secretary may only issue whole-life policies
12 under the insurance program under paragraph (1).

13 “(3) The Secretary may not grant insurance to a vet-
14 eran under paragraph (1) unless—

15 “(A) the veteran submits the application for
16 such insurance before the veteran attains 81 years
17 of age; or

18 “(B) with respect to a veteran who has attained
19 81 years of age—

20 “(i) the veteran filed a claim for compensa-
21 tion under chapter 11 of this title before attain-
22 ing such age;

23 “(ii) based on such claim, and after the
24 veteran attained such age, the Secretary first

1 determines that the veteran has a service-con-
2 nected disability; and

3 “(iii) the veteran submits the application
4 for such insurance during the two-year period
5 following the date of such determination.

6 “(4)(A) A veteran enrolled in the insurance program
7 under paragraph (1) may elect to be insured in any of
8 the following amounts:

9 “(i) \$10,000.

10 “(ii) \$20,000.

11 “(iii) \$30,000.

12 “(iv) \$40,000.

13 “(v) In accordance with subparagraph (B), a
14 maximum amount greater than \$40,000.

15 “(B) The Secretary may establish a maximum
16 amount to be insured under paragraph (1) that is greater
17 than \$40,000 if the Secretary—

18 “(i) determines that such maximum amount
19 and the premiums for such amount—

20 “(I) are administratively and actuarially
21 sound for the insurance program under para-
22 graph (1); and

23 “(II) will not result in such program oper-
24 ating at a loss; and

1 “(ii) publishes in the Federal Register, and sub-
2 mits to the Committees on Veterans’ Affairs of the
3 House of Representatives and the Senate, such max-
4 imum amount and determination.

5 “(5) Insurance granted under this section shall be on
6 a nonparticipating basis and all premiums and other col-
7 lections therefor shall be credited directly to a revolving
8 fund in the Treasury of the United States, and any pay-
9 ments on such insurance shall be made directly from such
10 fund.

11 “(6) Administrative support financed by the appro-
12 priations for ‘General Operating Expenses, Department of
13 Veterans Affairs’ and ‘Information Technology Systems,
14 Department of Veterans Affairs’ for the insurance pro-
15 gram under paragraph (1) shall be paid from premiums
16 credited to the fund under paragraph (5).

17 “(b) ELIGIBILITY.—A veteran is eligible to enroll in
18 the insurance program under subsection (a)(1) if the vet-
19 eran has a service-connected disability, without regard
20 to—

21 “(1) whether such disability is compensable
22 under chapter 11 of this title; or

23 “(2) whether the veteran meets standards of
24 good health required for other life insurance policies.

1 “(c) ENROLLMENT AND WAITING PERIOD.—(1) A
2 veteran may enroll in the insurance program under sub-
3 section (a)(1) at any time.

4 “(2) The life insurance policy of a veteran who enrolls
5 in the insurance program under subsection (a)(1) does not
6 go into force unless—

7 “(A) a period of two years elapses following the
8 date of such enrollment; and

9 “(B) the veteran pays the premiums required
10 during such two-year period.

11 “(3) If a veteran dies during the two-year period de-
12 scribed in paragraph (2), the Secretary shall pay to the
13 beneficiary of the veteran the amount of premiums paid
14 by the veteran under this section, plus interest. The Sec-
15 retary shall calculate such interest at an annual rate equal
16 to the weekly average one-year constant maturity Treas-
17 ury yield, as published by the Board of Governors of the
18 Federal Reserve System, for the calendar week preceding
19 the date of the death.

20 “(d) PREMIUMS.—(1) The Secretary shall establish
21 a schedule of basic premium rates by age per \$1,000 of
22 insurance under subsection (a)(1) consistent with the low-
23 est schedule of basic premium rates generally charged for
24 guaranteed acceptance life insurance policies by private
25 life insurance companies. The Secretary may adjust such

1 schedule after the first policy year in a manner consistent
2 with the general practice of guaranteed acceptance life in-
3 surance policies issued by private life insurance compa-
4 nies.

5 “(2) Section 1912 of this title shall not apply to life
6 insurance policies under subsection (a)(1), and the Sec-
7 retary may not otherwise waive premiums for such insur-
8 ance policies.

9 “(e) BENEFICIARIES.—(1) A veteran who enrolls in
10 the insurance program under subsection (a)(1) may assign
11 a beneficiary of the life insurance policy.

12 “(2) If a veteran enrolled in the insurance program
13 under subsection (a)(1) does not assign a beneficiary
14 under paragraph (1) before the veteran dies, or if an as-
15 signed beneficiary predeceases the veteran, the Secretary
16 shall determine the beneficiary in the following order:

17 “(A) The surviving spouse of the veteran.

18 “(B) The children of the veteran and descend-
19 ants of deceased children by representation.

20 “(C) The parents of the veteran or the sur-
21 vivors of the parents.

22 “(D) The duly appointed executor or adminis-
23 trator of the estate of the veteran.

1 “(E) Other next of kin of the veteran entitled
2 under the laws of domicile of the veteran at the time
3 of the death of the veteran.

4 “(f) CLAIMS.—(1) If the deceased veteran assigned
5 a beneficiary under subsection (e)(1)—

6 “(A) the assigned beneficiary is the only person
7 who may file a claim for payment under subsection
8 (g) during the one-year period beginning on the date
9 of the death of the veteran; and

10 “(B) if the assigned beneficiary does not file a
11 claim for the payment during the period described in
12 paragraph (1), or if payment to the assigned bene-
13 ficiary within that period is prohibited by Federal
14 statute or regulation, a beneficiary described in sub-
15 section (e)(2) may file a claim for such payment
16 during the one-year period following the period de-
17 scribed in subparagraph (A) as if the assigned bene-
18 ficiary had predeceased the veteran.

19 “(2) If the deceased veteran did not assign a bene-
20 ficiary under subsection (e)(1), or if the assigned bene-
21 ficiary predeceased the veteran, a beneficiary described in
22 subsection (e)(2) may file a claim for payment under sub-
23 section (g) during the two-year period beginning on the
24 date of the death of the veteran.

1 “(3) If, on the date that is two years after the date
2 of the death of the veteran, no claim for payment has been
3 filed by any beneficiary pursuant to paragraph (1) or (2),
4 and the Secretary has not received notice that any such
5 claim will be so filed during the subsequent one-year pe-
6 riod, the Secretary may make the payment to a claimant
7 whom the Secretary determines to be equitably entitled to
8 such payment.

9 “(g) PAYMENTS.—(1) In a case described in sub-
10 section (f)—

11 “(A) in paragraph (1)(A), the Secretary shall
12 pay the assigned beneficiary not later than 90 days
13 after the assigned beneficiary files a claim for pay-
14 ment; or

15 “(B) in paragraph (1)(B), (2), or (3), the Sec-
16 retary shall make any payment not later than one
17 year after the end of the period described in the ap-
18 plicable such paragraph.

19 “(2) Notwithstanding section 1917 of this title, the
20 Secretary shall make an insurance payment under this
21 section in a lump sum.

22 “(3) Any payment under this subsection shall be a
23 bar to recovery by any other person.”.

24 (2) CLERICAL AMENDMENT.—The table of sec-
25 tions at the beginning of such chapter is amended

1 by inserting after the item relating to section 1922A
2 the following new item:

“1922B. Service-disabled veterans insurance.”.

3 (b) SUNSET OF PREVIOUS PROGRAM AND TRANSI-
4 TION.—

5 (1) S–DVI.—Section 1922 of such title is
6 amended by adding at the end the following new
7 subsection:

8 “(d)(1) The Secretary may not accept any application
9 by a veteran to be insured under this section after Decem-
10 ber 31, 2022.

11 “(2)(A) During the period beginning January 1,
12 2023, and ending December 31, 2025, a veteran who is
13 insured under this section may elect to instead be insured
14 under section 1922B of this title based on the age of the
15 veteran at the time of such election.

16 “(B) A veteran who elects under subparagraph (A)
17 to be insured under section 1922B of this title shall be
18 subject to the two-year waiting period specified in sub-
19 section (c) of such section. If the veteran dies during such
20 period, the Secretary shall pay the beneficiary under this
21 section, and, if applicable, under section 1922A, plus the
22 amount of premiums paid by the veteran under such sec-
23 tion 1922B, plus interest.

1 “(3) Except as provided by paragraph (2)(B), a vet-
 2 eran may not be insured under this section and section
 3 1922B simultaneously.”.

4 (2) SUPPLEMENTAL S–DVI.—Section 1922A(b)
 5 of such title is amended by adding after the period
 6 the following: “The Secretary may not accept any
 7 such application after December 31, 2022. Except
 8 as provided by section 1922(d)(2)(B), a veteran may
 9 not have supplemental insurance under this section
 10 and be insured under section 1922B simulta-
 11 neously.”.

12 (c) CONFORMING AMENDMENTS.—Chapter 19 of
 13 such title is amended—

14 (1) in the section heading of section 1922, by
 15 striking “**Service**” and inserting “**Legacy serv-**
 16 **ice**”;

17 (2) in the section heading of section 1922A, by
 18 striking “**Supplemental**” and inserting “**Leg-**
 19 **acy supplemental**”; and

20 (3) in the table of sections at the beginning of
 21 such chapter by striking the items relating to sec-
 22 tions 1922 and 1922A and inserting the following
 23 new items:

“1922. Legacy service disabled veterans’ insurance.

“1922A. Legacy supplemental service disabled veterans’ insurance for totally disabled veterans.”.

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