

104TH CONGRESS
1ST SESSION

H. R. 2156

To amend title 38, United States Code, to change the name of the Servicemen's Group Life Insurance program to Servicemembers' Group Life Insurance, to merge the Retired Reservists' Servicemembers' Group Life Insurance program into the Veterans' Group Life Insurance program, to extend Veterans' Group Life Insurance coverage to members of the Ready Reserve of a uniformed service who retire with less than 20 years of service, to permit an insured to convert a Veterans' Group Life Insurance policy to an individual policy of life insurance with a commercial insurance company at any time, and to permit an insured to convert a Servicemembers' Group Life Insurance policy to an individual policy of life insurance with a commercial company upon separation from service.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1995

Mr. STUMP (for himself and Mr. MONTGOMERY) (both by request) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

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policy to an individual policy of life insurance with a commercial insurance company at any time, and to permit an insured to convert a Servicemembers' Group Life Insurance policy to an individual policy of life insurance with a commercial company upon separation from service.

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; REFERENCES TO TITLE 38,**
 4 **UNITED STATES CODE.**

5 (a) SHORT TITLE.—This Act may be cited as the
 6 “Veterans’ Insurance Reform Act of 1995”.

7 (b) REFERENCES.—Except as otherwise expressly
 8 provided, whenever in this Act an amendment is expressed
 9 in terms of an amendment to a section or other provision,
 10 the reference shall be considered to be made to a section
 11 or other provision of title 38, United States Code.

12 **SEC. 2. RENAMING OF SERVICEMEN’S GROUP LIFE INSUR-**
 13 **ANCE PROGRAM.**

14 (a) IN GENERAL.—The program of insurance oper-
 15 ated by the Secretary of Veterans Affairs under sub-
 16 chapter III of chapter 19 of title 38, United States Code,
 17 is hereby redesignated as the Servicemembers’ Group Life
 18 Insurance program.

19 (b) AMENDMENTS TO CHAPTER 19.—(1) Sections
 20 1967(a), (c), and (f), 1968(b), 1969(a)–(e), 1970(a), (f),

1 and (g), 1971(b), 1973, 1974, and 1977(a), (d), (e), and
 2 (g) are amended by striking out “Servicemen’s Group”
 3 each place it appears and inserting in lieu thereof
 4 “Servicemembers’ Group”.

5 (2)(A) The heading of subchapter III of chapter 19
 6 is amended to read as follows:

7 “SUBCHAPTER III—SERVICEMEMBERS’ GROUP
 8 LIFE INSURANCE (FORMERLY SERVICE-
 9 MEN’S GROUP LIFE INSURANCE)”.

10 (B) The heading of section 1974 is amended to read
 11 as follows:

12 **“§ 1974. Advisory Council on Servicemembers’ Group**
 13 **Life Insurance (formerly Servicemen’s**
 14 **Group Life Insurance)”.**

15 (3) The table of sections at the beginning of chapter
 16 19 is amended—

17 (A) by striking out the item relating to sub-
 18 chapter III and inserting in lieu thereof the follow-
 19 ing:

“SUBCHAPTER III—SERVICEMEMBERS’ GROUP LIFE INSURANCE (FORMERLY
 SERVICEMEN’S GROUP LIFE INSURANCE)”; and

20 (B) by striking out the item relating to section
 21 1974 and inserting in lieu thereof the following:

“1974. Advisory Council on Servicemembers’ Group Life Insurance (formerly
 Servicemen’s Group Life Insurance)”.

22 (c) OTHER CONFORMING AMENDMENTS.—(1) Sec-
 23 tion 1315(f)(1)(F) is amended by striking out “service-

1 men's" the first place it appears and inserting in lieu
2 thereof "servicemembers".

3 (2) Sections 3017(a) and 3224(1) are amended by
4 striking out "Servicemen's" each place it appears and in-
5 serting in lieu thereof "Servicemembers'".

6 **SEC. 3. MERGER OF RETIRED RESERVE SERVICEMEMBERS'**
7 **GROUP LIFE INSURANCE AND VETERANS'**
8 **GROUP LIFE INSURANCE AND EXTENSION OF**
9 **VETERANS' GROUP LIFE INSURANCE TO**
10 **MEMBERS OF THE READY RESERVE.**

11 (a) DEFINITION OF MEMBER.—Section 1965(5) is
12 amended—

13 (1) by inserting "and" at the end of subpara-
14 graph (B);

15 (2) by striking out subparagraphs (C) and (D);
16 and

17 (3) by redesignating subparagraph (E) as sub-
18 paragraph (C).

19 (b) PERSONS INSURED.—Section 1967 is amended—

20 (1) in subsection (a)—

21 (A) by inserting "and" at the end of para-
22 graph (1);

23 (B) by striking out paragraphs (3) and
24 (4); and

1 (C) by striking out “or the first day a
2 member of the Reserves, whether or not as-
3 signed to the Retired Reserve of a uniformed
4 service, meets the qualifications of section
5 1965(5)(C) of this title, or the first day a mem-
6 ber of the Reserves meets the qualifications of
7 section 1965(5)(D) of this title,”;

8 (2) by striking out subsection (d); and

9 (3) by redesignating subsections (e) and (f) as
10 subsections (d) and (e), respectively.

11 (c) DURATION AND TERMINATION OF COVERAGE.—

12 Section 1968 is amended—

13 (1) in subsection (a)—

14 (A) by striking out “subparagraph (B),
15 (C), or (D) of section 1965(5)” and inserting in
16 lieu thereof “section 1965(5)(B)”;

17 (B) by striking out the period at the end
18 of paragraphs (1) and (2) and inserting in lieu
19 thereof a semicolon;

20 (C) by striking out the period at the end
21 of paragraph (3) and inserting in lieu thereof “;
22 and”;

23 (D) in paragraph (4)—

24 (i) by striking out “from such” in the
25 matter preceding subparagraph (A) and all

1 that follows through “(A) unless on” and
2 inserting in lieu thereof “from such assign-
3 ment, unless on”;

4 (ii) by striking out the semicolon after
5 “such assignment” and inserting in lieu
6 thereof a period; and

7 (iii) by striking out subparagraphs
8 (B) and (C); and
9 (E) by striking out paragraphs (5) and
10 (6); and

11 (2) in subsection (b), by striking out the last
12 two sentences.

13 (d) PREMIUMS.—Section 1969 is amended—

14 (1) in subsection (a)(2), by striking out “is as-
15 signed to the Reserve (other than the Retired Re-
16 serve) and meets the qualifications of section
17 1965(5)(C) of this title, or is assigned to the Retired
18 Reserve and meets the qualifications of section
19 1965(5)(D) of this title,”;

20 (2) by striking out subsection (e); and

21 (3) by redesignating subsections (f) and (g) as
22 subsections (e) and (f), respectively.

1 **SEC. 4. CONVERSION TO COMMERCIAL LIFE INSURANCE**
2 **POLICY.**

3 (a) SGLI CONVERSION.—Section 1968(b), as amend-
4 ed by section 3(c)(2), is amended—

5 (1) by inserting “(1)” after “the date such in-
6 surance would cease,”;

7 (2) by redesignating clauses (1) and (2) as
8 clauses (A) and (B), respectively; and

9 (3) by striking out “title.” and inserting in lieu
10 thereof “title, or (2) at the election of the member,
11 shall be converted to an individual policy of insur-
12 ance as described in section 1977(e) of this title
13 upon written application for conversion made to the
14 participating company selected by the member and
15 payment of the required premiums.”.

16 (b) VGLI CONVERSION.—Section 1977 is amended—

17 (1) in subsection (a)—

18 (A) by inserting “(1)” after “(a)”;

19 (B) by striking out the last two sentences;

20 and

21 (C) by adding at the end the following:

22 “(2) If any person insured under Veterans’ Group
23 Life Insurance again becomes insured under
24 Servicemembers’ Group Life Insurance but dies before ter-
25 minating or converting such person’s Veterans’ Group In-
26 surance, Veterans’ Group Life Insurance shall be payable

1 only if such person is insured for less than \$200,000
2 under Servicemembers' Group Life Insurance, and then
3 only in an amount which, when added to the amount of
4 Servicemembers' Group Life Insurance payable, does not
5 exceed \$200,000."; and

6 (2) in subsection (e), by striking out the third
7 sentence and inserting in lieu thereof the following:
8 "The Veterans' Group Life Insurance policy will ter-
9minate on the day before the date on which the indi-
10vidual policy becomes effective."

11 **SEC. 5. EFFECTIVE DATE.**

12 The Servicemembers' Group Life Insurance of any
13 member of the Retired Reserve of a uniformed service in
14 force on the date of the enactment of this Act shall be
15 converted, effective 90 days after that date, to Veterans'
16 Group Life Insurance.

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