

**Calendar No. 218**109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION**S. 1235****[Report No. 109-139]**

To amend chapters 19 and 37 of title 38, United States Code, to extend the availability of \$400,000 in coverage under the servicemembers' life insurance and veterans' group life insurance programs, and for other purposes.

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**IN THE SENATE OF THE UNITED STATES**

JUNE 14, 2005

Mr. CRAIG introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

SEPTEMBER 21, 2005

Reported by Mr. CRAIG, with an amendment and an amendment to the title  
[Strike out all after the enacting clause and insert the part printed in *italic*]

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**A BILL**

To amend chapters 19 and 37 of title 38, United States Code, to extend the availability of \$400,000 in coverage under the servicemembers' life insurance and veterans' group life insurance programs, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Veterans’ Benefits Im-  
3 provement Act of 2005”.

4 **SEC. 2. GROUP LIFE INSURANCE.**

5 (a) **SERVICEMEMBERS’ GROUP LIFE INSURANCE.**—

6 Section 1967 of title 38, United States Code, as in effect  
7 on October 1, 2005, is amended—

8 (1) in subsection (a)—

9 (A) in paragraph (2), by adding at the end  
10 the following:

11 “(C) With respect to a policy of insurance covering  
12 an insured member, the Secretary of Defense shall make  
13 a good-faith effort to notify the spouse of a member if  
14 the member elects, at any time, to—

15 “(i) reduce amounts of insurance coverage of an  
16 insured member; or

17 “(ii) name a beneficiary other than the insured  
18 member’s spouse.

19 “(D) The failure of the Secretary of Defense to pro-  
20 vide timely notification under subparagraph (C) shall not  
21 affect the validity of an election by the member.

22 “(E) If a servicemember marries or remarries after  
23 making an election under subparagraph (C), the Secretary  
24 of Defense is not required to notify the spouse of such  
25 election. Elections made after marriage or remarriage are

1 subject to the notice requirement under subparagraph  
2 (C).”; and

3 (B) in paragraph (3)—

4 (i) in subparagraph (A), by striking  
5 clause (i) and inserting the following:

6 “(i) In the case of a member, \$400,000.”; and

7 (ii) in subparagraph (B), by striking  
8 “member or spouse” and inserting “mem-  
9 ber, be evenly divisible by \$50,000 and, in  
10 the case of a member’s spouse”; and

11 (2) in subsection (d), by striking “\$250,000”  
12 and inserting “\$400,000”.

13 (b) DURATION OF COVERAGE.—Section 1968(a) of  
14 title 38, United States Code, is amended—

15 (1) in paragraph (1)(A), by striking “one year”  
16 and inserting “2 years”; and

17 (2) in paragraph (4), by striking “one year”  
18 and inserting “2 years”.

19 (c) VETERANS’ GROUP LIFE INSURANCE.—Section  
20 1977(a) of title 38, United States Code, as in effect on  
21 October 1, 2005, is amended by striking “\$250,000” each  
22 place it appears and inserting “\$400,000”.

1 **SEC. 3. ADJUSTABLE RATE MORTGAGES.**

2 Section 3707(c)(4) of title 38, United States Code,  
 3 is amended by striking “1 percentage point” and inserting  
 4 “such percentage as the Secretary may prescribe”.

5 **SEC. 4. EFFECTIVE DATE.**

6 The amendments made by this Act shall take effect  
 7 on October 1, 2005, immediately after the execution of  
 8 section 1012(i) of Public Law 109–13.

9 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

10 (a) *SHORT TITLE.*—*This Act may be cited as the “Veterans Benefits Improvement Act of 2005”.*

12 (b) *TABLE OF CONTENTS.*—*The table of contents for*  
 13 *this Act is as follows:*

*Sec. 1. Short title; table of contents.*

*TITLE I—INSURANCE MATTERS*

*Sec. 101. Group Life Insurance.*

*Sec. 102. Treatment of stillborn children as insurable dependents under Servicemembers’ Group Life Insurance program.*

*TITLE II—HOUSING MATTERS*

*Sec. 201. Adjustable rate mortgages.*

*Sec. 202. Technical corrections to Veterans Benefits Improvement Act of 2004.*

*Sec. 203. Permanent authority for housing loans for Native American veterans.*

*TITLE III—OTHER MATTERS*

*Sec. 301. Annual plan on outreach activities.*

*Sec. 302. Extension of reporting requirements on equitable relief cases.*

*Sec. 303. Inclusion of additional diseases and conditions in diseases and disabilities presumed to be associated with prisoner of war status.*

*Sec. 304. Post traumatic stress disorder claims.*

1     **TITLE I—INSURANCE MATTERS**

2     **SEC. 101. GROUP LIFE INSURANCE.**

3           (a) *SERVICEMEMBERS’ GROUP LIFE INSURANCE.*—

4     *Section 1967 of title 38, United States Code, as in effect*  
5     *on October 1, 2005, is amended—*

6           (1) *in subsection (a)—*

7                   (A) *in paragraph (2), by adding at the end*  
8                   *the following:*

9           “(C) *With respect to a policy of insurance covering an*  
10     *insured member, the Secretary concerned shall make a good-*  
11     *faith effort to notify the spouse of the member, at the last*  
12     *address of the spouse in the records of the Secretary con-*  
13     *cerned, if the member elects, prior to discharge from the*  
14     *military, naval, or air service, to—*

15                   “(i) *reduce amounts of insurance coverage of the*  
16     *member; or*

17                   “(ii) *name a beneficiary other than the member’s*  
18     *spouse or child.*

19           “(D) *The failure of the Secretary concerned to provide*  
20     *timely notification under subparagraph (C) shall not affect*  
21     *the validity of an election by a member.*

22           “(E) *If an unmarried member marries after having*  
23     *made one or more elections to reduce or decline insurance*  
24     *coverage or to name beneficiaries, the Secretary concerned*  
25     *is not required to notify the spouse of such marriage of such*

1 *elections. Elections made after such marriage are subject*  
 2 *to the notice requirements under subparagraph (C).”; and*

3 *(B) in paragraph (3)—*

4 *(i) in subparagraph (A), by striking*  
 5 *clause (i) and inserting the following:*

6 *“(i) In the case of a member, \$400,000.”; and*

7 *(ii) in subparagraph (B), by striking*  
 8 *“member or spouse” and inserting “mem-*  
 9 *ber, be evenly divisible by \$50,000 and, in*  
 10 *the case of a member’s spouse”; and*

11 *(2) in subsection (d), by striking “\$250,000” and*  
 12 *inserting “\$400,000”.*

13 *(b) DURATION OF COVERAGE.—Section 1968(a) of title*  
 14 *38, United States Code, is amended—*

15 *(1) in paragraph (1)(A), by striking “one year”*  
 16 *and inserting “2 years”; and*

17 *(2) in paragraph (4), by striking “one year” and*  
 18 *inserting “2 years”.*

19 *(c) VETERANS’ GROUP LIFE INSURANCE.—Section*  
 20 *1977(a) of title 38, United States Code, is amended by strik-*  
 21 *ing “\$250,000” each place it appears and inserting*  
 22 *“\$400,000”.*

23 *(d) CONSTRUCTION OF CERTAIN OTHER AMEND-*  
 24 *MENTS.—Notwithstanding subsection (h) of section 1012 of*  
 25 *Public Law 109–13, the amendments made by subsections*

1 (a)(1), (c), (d), (e)(2), (f), and (g) of such section shall not  
 2 go into effect on September 1, 2005, as otherwise provided  
 3 by such subsection (h), and shall not be treated for any pur-  
 4 poses as having gone into effect on that date.

5 (e) *EFFECTIVE DATE.*—(1) The amendments made by  
 6 subsection (a) of this section shall take effect on September  
 7 1, 2005.

8 (2) The amendments made by subsections (b) and (c)  
 9 of this section shall take effect on October 1, 2005, imme-  
 10 diately after the execution of section 1012(i) of Public Law  
 11 109–13.

12 (3) If the date of the enactment of this Act occurs after  
 13 September 1, 2005, and before October 1, 2005, the provi-  
 14 sions of paragraph (2) of section 1967(a) of title 38, United  
 15 States Code, shall, for purposes of the execution of the  
 16 amendments made by subsection (a) of this section, be such  
 17 provisions as in effect on May 10, 2005, the day before the  
 18 date of the enactment of Public Law 109–13.

19 **SEC. 102. TREATMENT OF STILLBORN CHILDREN AS INSUR-**  
 20 **ABLE DEPENDENTS UNDER**  
 21 **SERVICEMEMBERS' GROUP LIFE INSURANCE**  
 22 **PROGRAM.**

23 (a) *TREATMENT.*—Section 1965(10) of title 38, United  
 24 States Code, is amended by adding at the end the following  
 25 new subparagraph:

1                   “(C) *The member’s stillborn child.*”.

2           (b) *CONFORMING AMENDMENT.*—Section 101(4)(A) of  
3 *such title is amended by striking “section 1965(10)(B)” in*  
4 *the matter preceding clause (i) and inserting “subpara-*  
5 *graph (B) or (C) of section 1965(10)”.*

## 6           **TITLE II—HOUSING MATTERS**

### 7           **SEC. 201. ADJUSTABLE RATE MORTGAGES.**

8           Section 3707A(c)(4) of title 38, *United States Code,*  
9 *is amended by striking “1 percentage point” and inserting*  
10 *“such percentage as the Secretary may prescribe”.*

### 11          **SEC. 202. TECHNICAL CORRECTIONS TO VETERANS BENE-**

#### 12                                   **FITS IMPROVEMENT ACT OF 2004.**

13          (a) *IN GENERAL.*—Section 2101 of title 38, *United*  
14 *States Code, as amended by section 401 of the Veterans Ben-*  
15 *efits Improvement Act of 2004 (Public Law 108–454), is*  
16 *further amended—*

17                   (1) *by redesignating subsection (c) as subsection*  
18                   *(d);*

19                   (2) *by inserting after subsection (b) a new sub-*  
20 *section (c) consisting of the text of subsection (c) of*  
21 *such section 2101 as in effect immediately before the*  
22 *enactment of such Act, modified—*

23                                   (A) *by inserting after “(c)” the following:*

24                                   “*ASSISTANCE TO MEMBERS OF THE ARMED*  
25                                   *FORCES.*—”;



1                   (B) in paragraph (1)—

2                   (i) in the first sentence, by striking  
3                   “paragraph (1), (2), or (3)” and inserting  
4                   “subparagraph (A), (B), (C), or (D) of  
5                   paragraph (2)”; and

6                   (ii) in the second sentence, by striking  
7                   “the second sentence” and inserting “para-  
8                   graph (3)”; and

9                   (C) in paragraph (2)—

10                  (i) in the first sentence, by striking  
11                  “paragraph (1)” and inserting “paragraph  
12                  (2)”; and

13                  (ii) in the second sentence, by striking  
14                  “paragraph (2)” and inserting “paragraph  
15                  (3)”; and

16                  (3) in subsection (a)(3), by striking “subsection  
17                  (c)” in the matter preceding subparagraph (A) and  
18                  inserting “subsection (d)”.

19                  (b) *EFFECTIVE DATE.*—The amendments made by sub-  
20                  section (a) shall take effect immediately after the enactment  
21                  of the Veterans Benefits Improvement Act of 2004 (Public  
22                  Law 108–454).

1 **SEC. 203. PERMANENT AUTHORITY FOR HOUSING LOANS**  
2 **FOR NATIVE AMERICAN VETERANS.**

3 (a) *PERMANENT AUTHORITY.*—Section 3761 of title  
4 38, United States Code, is amended to read as follows:

5 **“§3761. Authority for housing loans for Native Amer-**  
6 **ican veterans**

7 “(a) *The Secretary shall make direct housing loans to*  
8 *Native American veterans in accordance with the provisions*  
9 *of this subchapter.*

10 “(b) *The purpose of loans under this subchapter is to*  
11 *permit Native American veterans to purchase, construct, or*  
12 *improve dwellings on trust land.”.*

13 (b) *CONFORMING AMENDMENTS.*—Section 3762 of such  
14 title is amended—

15 (1) *in subsection (a), by inserting “under this*  
16 *subchapter” after “Native American veteran” in the*  
17 *matter preceding paragraph (1);*

18 (2) *in subsection (b)(1)(E), by striking “in order*  
19 *to ensure” and all that follows and inserting a period;*

20 (3) *in subsection (c)(1)(B), by striking “shall be*  
21 *the amount” and all that follows in the second sen-*  
22 *tence and inserting “shall be such amount as the Sec-*  
23 *retary considers appropriate for the purpose of this*  
24 *subchapter.”;*

25 (4) *in subsection (d)(1), by striking the second*  
26 *sentence;*

1           (5) *in subsection (i)*—

2                   (A) *in paragraph (1), by striking “of the*  
 3 *pilot program” and all that follows and insert-*  
 4 *ing “of the availability of direct housing loans*  
 5 *for Native American veterans under this sub-*  
 6 *chapter.”; and*

7                   (B) *in paragraph (2)*—

8                           (i) *in subparagraph (A), by striking*  
 9 *“under the pilot program” and all that fol-*  
 10 *lows and inserting “under this subchapter”;*  
 11 *and*

12                           (ii) *in subparagraph (E), by striking*  
 13 *“in participating in the pilot program”*  
 14 *and inserting “in participating in the mak-*  
 15 *ing of direct loans under this subchapter”;*  
 16 *and*

17           (6) *by striking subsection (j).*

18           (c) *CLERICAL AMENDMENTS.—(1) The heading of sub-*  
 19 *chapter V of chapter 37 of such title is amended to read*  
 20 *as follows:*

21                   **“Subchapter V—Housing Loans for Native**  
 22                                   **American Veterans”.**

23           (2) *The table of contents for such chapter is amended—*

1           (A) by striking the matter relating to the sub-  
 2           chapter heading of subchapter V and inserting the fol-  
 3           lowing new item:

“SUBCHAPTER V—HOUSING LOANS FOR NATIVE AMERICAN VETERANS”;

4 and

5           (B) by striking the item relating to section 3761  
 6           and inserting the following new item:

“3761. Authority for housing loans for Native American veterans.”.

## 7           **TITLE III—OTHER MATTERS**

### 8           **SEC. 301. ANNUAL PLAN ON OUTREACH ACTIVITIES.**

9           (a) *ANNUAL PLAN REQUIRED.*—Subchapter II of  
 10 chapter 5 of title 38, United States Code, is amended by  
 11 inserting after section 523 the following new section:

#### 12           **“§ 523A. Annual plan on outreach activities**

13           “(a) *ANNUAL PLAN REQUIRED.*—The Secretary shall  
 14 prepare each year a plan for the outreach activities of the  
 15 Department for the following year.

16           “(b) *ELEMENTS.*—Each annual plan under subsection  
 17 (a) shall include the following:

18           “(1) Plans for efforts to identify veterans who  
 19 are not enrolled or registered with the Department for  
 20 benefits or services under the programs administered  
 21 by the Secretary.

22           “(2) Plans for informing veterans and their de-  
 23 pendents of modifications of the benefits and services  
 24 under the programs administered by the Secretary,

1       *including eligibility for medical and nursing care*  
2       *and services.*

3       “(c) *COORDINATION IN DEVELOPMENT.*—*In developing*  
4       *an annual plan under subsection (a), the Secretary shall*  
5       *consult with the following:*

6               “(1) *Directors or other appropriate officials of*  
7       *organizations approved by the Secretary under sec-*  
8       *tion 5902 of this title.*

9               “(2) *Directors or other appropriate officials of*  
10       *State and local education and training programs.*

11               “(3) *Representatives of non-governmental organi-*  
12       *zations that carry out veterans outreach programs.*

13               “(4) *Representatives of State and local veterans*  
14       *employment organizations.*

15               “(5) *Businesses and professional organizations.*

16               “(6) *Other individuals and organizations that*  
17       *assist veterans in adjusting to civilian life.*

18       “(d) *INCORPORATION OF ASSESSMENT OF PREVIOUS*  
19       *ANNUAL PLANS.*—*In developing an annual plan under sub-*  
20       *section (a), the Secretary shall take into account the lessons*  
21       *learned from the implementation of previous annual plans*  
22       *under such subsection.*

23       “(e) *INCORPORATION OF RECOMMENDATIONS TO IM-*  
24       *PROVE OUTREACH AND AWARENESS.*—*In developing an an-*  
25       *nual plan under subsection (a), the Secretary shall incor-*

1 *porate the recommendations for the improvement of vet-*  
 2 *erans outreach and awareness activities included in the re-*  
 3 *port submitted to Congress by the Secretary pursuant to*  
 4 *section 805 of the Veterans Benefits Improvement Act of*  
 5 *2004 (Public Law 108–454).”.*

6 (b) *CLERICAL AMENDMENT.—The table of sections at*  
 7 *the beginning of such chapter is amended by inserting after*  
 8 *the item relating to section 523 the following new item:*

*“523A. Annual plan on outreach activities.”.*

9 **SEC. 302. EXTENSION OF REPORTING REQUIREMENTS ON**  
 10 **EQUITABLE RELIEF CASES.**

11 *Section 503(c) of title 38, United States Code, is*  
 12 *amended by striking “December 31, 2004” and inserting*  
 13 *“December 31, 2009”.*

14 **SEC. 303. INCLUSION OF ADDITIONAL DISEASES AND CON-**  
 15 **DITIONS IN DISEASES AND DISABILITIES PRE-**  
 16 **SUMED TO BE ASSOCIATED WITH PRISONER**  
 17 **OF WAR STATUS.**

18 *Section 1112(b)(3) of title 38, United States Code, is*  
 19 *amended by adding at the end the following new subpara-*  
 20 *graphs:*

21 *“(L) Atherosclerotic heart disease or hypertensive*  
 22 *vascular disease (including hypertensive heart dis-*  
 23 *ease) and their complications (including myocardial*  
 24 *infarction, congestive heart failure and arrhythmia).*

25 *“(M) Stroke and its complications.”.*

1 **SEC. 304. POST TRAUMATIC STRESS DISORDER CLAIMS.**

2       *The Secretary shall develop and implement policy and*  
3 *training initiatives to standardize the assessment of post*  
4 *traumatic stress disorder disability compensation claims.*

Amend the title so as to read: “To amend title 38, United States Code, to extend the availability of \$400,000 in life insurance coverage to servicemembers and veterans, to make a stillborn child an insurable dependent for purposes of the Servicemembers’ Group Life Insurance program, to make technical corrections to the Veterans Benefits Improvement Act of 2004, to make permanent a pilot program for direct housing loans for Native American veterans, and to require an annual plan on outreach activities of the Department of Veterans Affairs.”.

Calendar No. 218

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**S. 1235**

[Report No. 109-139]

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**A BILL**

To amend chapters 19 and 37 of title 38, United States Code, to extend the availability of \$400,000 in coverage under the servicemembers' life insurance and veterans' group life insurance programs, and for other purposes.

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SEPTEMBER 21, 2005

Reported with an amendment and an amendment to the  
title