118TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
118–654

FAIRNESS FOR SERVICEMEMBERS AND THEIR FAMILIES ACT OF 2024

SEPTEMBER 9, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BOST, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 2911]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2911) to amend title 38, United States Code, to require the Secretary of Veterans Affairs to periodically review the automatic maximum coverage under the Servicemembers' Group Life Insurance program and the Veterans' Group Life Insurance program, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

CONTENTS

49–006

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fairness for Servicemembers and their Families Act of 2024".

SEC. 2. PERIODIC REVIEW OF AUTOMATIC MAXIMUM COVERAGE UNDER SERVICEMEMBERS' GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE.

(a) IN GENERAL.—Subchapter III of chapter 19 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 1980B. Periodic review of automatic maximum coverage

"(a) IN GENERAL.—On January 1, 2025, and every five years thereafter, the Secretary shall—

"(1) complete a review of how the amount specified in section 1967(a)(3)(A)(i) compares to the amount described in subsection (b); and

"(2) submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate the results of the review.

"(b) AMOUNT DESCRIBED.—The amount described in this subsection is the amount equal to—

"(1) $500,000; multiplied by

"(2) the average percentage by which the Consumer Price Index changed during the five fiscal years preceding the review under subsection (a).

"(c) CONSUMER PRICE INDEX DEFINED.—In this section, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 of such title is amended by inserting after the item relating to section 1980A the following new item:

"1980B. Periodic review of automatic maximum coverage.".

PURPOSE AND SUMMARY

H.R. 2911, the "Fairness for Servicemembers and their Families Act of 2024," was introduced by Rep. Marilyn Strickland of Washington on April 26, 2023. The bill, as amended, would require the Secretary of the Department of Veterans Affairs (VA) to review, every five years, how the automatic maximum coverage (currently $500,000) under the Servicemembers' Group Life Insurance (SGLI) program and the Veterans' Group Life Insurance (VGLI) program compares to the average percentage by which the Consumer Price Index for All Urban Consumers (CPI–U) changed during the five fiscal years preceding each review. The bill would also require VA to submit the results of such reviews to Congress for purposes of determining whether the maximum coverages should be adjusted for inflation.

BACKGROUND AND NEED FOR LEGISLATION

Section 1: Short Title

This Act may be cited as the "Fairness for Servicemembers and their Families Act of 2024."

Section 2: Periodic Review of Automatic Maximum Coverage under Servicemembers' Group Life Insurance and Veterans' Group Life insurance

The SGLI program provides life insurance coverage to certain servicemembers, and the VGLI program offers life insurance coverage to certain veterans and to certain servicemembers who wish to continue life insurance coverage after their separation from military service.

Under the Supporting Families of the Fallen Act (Pub. L. 117–209), Title 38 U.S.C. § 1967(a)(3)(A)(i), the maximum coverage for SGLI and VGLI is $500,000. Unlike some private life insurance policies, the maximum coverage amount does not automatically adjust for inflation, cost of living, or other economic factors. Increases in maximum coverage for SGLI and VGLI requires Congressional action.

In a statement for the record for the April 10, 2024, Subcommittee on Disability Assistance and Memorial Affairs legislative hearing, Mr. Philip Du, Deputy Director of Benefits and Claims, National Veterans Affairs and Rehabilitation Division of the American Legion, explained:

> [T]he maximum coverage [for SGLI and VGLI] remained static from year 2006–2023. When justifying raising the maximum coverages of SGLI and VGLI to account for inflation, the analysis from Military Officers Association of America noted that the $400,000 coverage back in 2005 would be worth $622,565 in September of 2022, after adjustments. . . . [I]nflation adjustments should not wait for another 17 years as surviving military members struggle financially.[1]

In her written testimony at the April 10, 2024, Subcommittee on Disability Assistance and Memorial Affairs legislative hearing, Ms. Candace Wheeler, Director of Government and Legislative Affairs for the Tragedy Assistance Program for Survivors, stated that while the maximum coverage amount for SGLI and VGLI "was increased from $400,000 to $500,000 in 2023, it has already fallen behind due to inflation."[2] And in his written testimony, Mr. Christopher Macinkowicz, Deputy Director, National Veterans Service, Veterans of Foreign Wars of the United States, stated: "Servicemembers and their families should have peace of mind when selecting either of these insurance policies and anticipating what their needs might be in the event of the individual's passing while considering overall rising costs over time due to inflation."[3]

To address this issue, this section would require VA to conduct periodic reviews—and report the results of such reviews to Congress—of how the automatic maximum coverage under the SGLI and VGLI programs compares to changes in the CPI–U during the five fiscal years preceding each review.

The Committee believes that this legislation is critical to ensure that Congress is informed as to whether Congressional action should be taken to adjust the maximum life insurance coverage under the SGLI and VGLI programs to keep pace with inflation and increases in cost-of-living that veterans and their families may face.

---

[1] Statement for the Record of Philip Du, The American Legion (April 10, 2024), https://docs.house.gov/meetings/VR/VR09/20240410/117069/HHRG-118-VR09-20240410-SD006.pdf.

[2] Statement of Candace Wheeler, Tragedy Assistance Program for Survivors (April 10, 2024), https://docs.house.gov/meetings/VR/VR09/20240410/117069/HHRG-118-VR09-Wstate-WheelerC-20240410.pdf.

[3] Statement of Christopher Macinkowicz, Veterans of Foreign Wars of the United States (April 10, 2024), https://docs.house.gov/meetings/VR/VR09/20240410/117069/HHRG-118-VR09-Wstate-MacinkowiczC-20240410.pdf.

HEARINGS

On April 10, 2024, the Subcommittee on Disability Assistance and Memorial Affairs held a legislative hearing on H.R. 2911 and other bills that were pending before the subcommittee.

The following witnesses testified:

The Honorable Keith Self, U.S. House of Representatives; The Honorable John S. Duarte, U.S. House of Representatives; The Honorable Jahana Hayes, U.S. House of Representatives; Colonel Tiffany M. Wagner, Clerk of the Court, U.S. Court of Appeals for Veterans Claims; Mr. Daniel T. Shedd, Legislative Attorney, American Law Division, Congressional Research Service; The Honorable Jaime Areizaga-Soto, Chairman, Board of Veterans' Appeals, U.S. Department of Veterans Affairs; Ms. Brianne Ogilvie, Assistant Deputy Under Secretary, Office of Policy and Oversight, Veterans Benefits Administration, U.S. Department of Veterans Affairs; Ms. Jessica Pierce, Assistant Director, Compensation Service Policy Staff, U.S. Department of Veterans Affairs; Ms. Candace Wheeler, Director, Government and Legislative Affairs, Tragedy Assistance Program for Survivors; Mr. Christopher Macinkowicz, Deputy Director, National Veterans Service, VFW; Mr. Andrew Tangen, First Vice President, National Association of County Veterans Service Officers; and Ms. Renee Burbank, Director of Litigation, National Veterans Legal Services Program.

The following individuals and organizations submitted statements for the record:

The Honorable Dean Phillips, U.S. House of Representatives; The Honorable Marilyn Strickland, U.S. House of Representatives; Paralyzed Veterans of America; Disabled American Veterans; National Organization of Veterans' Advocates, Inc.; Administrative Conference of the United States; The American Legion; and Mr. Michael J. Wishnie.

SUBCOMMITTEE CONSIDERATION

On April 16, 2024, the Subcommittee on Disability Assistance and Memorial Affairs met in an open markup session on proposed legislation, including H.R. 2911. An amendment in the nature of a substitute offered by Ranking Member Pappas was adopted by voice vote and the bill was ordered favorably forwarded for consideration by the full Committee on Veterans' Affairs. The amendment in the nature of a substitute decreased the periodic review from every three years to every five years. It also revised the maximum coverage amount referenced in the bill from $400,000 to $500,000 to accord with current law.

COMMITTEE CONSIDERATION

On May 1, 2024, the Full Committee met in open markup session, a quorum being present, and ordered H.R. 2911, as amended, be reported favorably to the House of Representatives by voice vote.

A motion by Ranking Member Takano to report H.R. 2911, as amended, favorably to the House of Representatives was agreed to by voice vote.

Committee Votes

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, no recorded votes were taken on amendments or in connection with ordering H.R. 2911, as amended, reported to the House.

Committee Oversight Findings

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

Statement of General Performance Goals and Objectives

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives of H.R. 2911, as amended, are to ensure that any adjustments to VA life insurance maximum coverage amounts are made based on demonstrated need.

Earmarks and Tax and Tariff Benefits

H.R. 2911, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

Committee Cost Estimate

The Committee adopts as its own the Congressional Budget Office cost estimate on this measure.

Budget Authority and Congressional Budget Office Cost Estimate

H.R. 2911, Fairness for Servicemembers and their Families Act of 2024
As ordered reported by the House Committee on Veterans' Affairs on May 1, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	No
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and $500,000.

H.R. 2911 would require the Department of Veterans Affairs (VA) to review the maximum coverage available under the Servicemembers' Group Life Insurance (SGLI) and Veterans' Group

Life Insurance (VGLI) programs. SGLI and VGLI are life insurance programs for current servicemembers and veterans. Under current law, $500,000 is the maximum allowable coverage for each program. Under the bill, VA would review and report to the Congress in 2025 and every five years thereafter on what the limit would be if it had been adjusted for inflation during the five years preceding the review. Based on the cost of similar reports, CBO estimates satisfying that requirement would cost less than $500,000 over the 2024–2029 period. Any spending would be subject to the availability of appropriations.

The CBO staff contact for this estimate is Logan Smith. The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104–4) is inapplicable to H.R. 2911, as amended.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 2911, as amended.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 2911, as amended, does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 2911, as amended, would establish or reauthorize a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 would establish the short title of the bill as the "Fairness for Servicemembers and their Families Act of 2024."

Section 2. Periodic review of automatic maximum coverage under Servicemembers' Group Life Insurance and Veterans' Group Life Insurance

Section 2 would amend subchapter III of chapter 19 of title 38, U.S. Code, by adding a new section that would require the Secretary to complete a review every five years of how the current automatic maximum coverage amount under 38 U.S.C. § 1967(a)(3)(A)(i) compares to the average percentage by which the CPI–U changed during the five fiscal years preceding each review. This section would also require the Secretary submit results of such reviews to the Committees on Veterans' Affairs of the House and Senate.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * * * *

PART II—GENERAL BENEFITS

* * * * * * *

CHAPTER 19—INSURANCE

SUBCHAPTER I—NATIONAL SERVICE LIFE INSURANCE

* * * * * * *

SUBCHAPTER III—SERVICEMEMBERS' GROUP LIFE INSURANCE

* * * * * * *

§ 1980B. Periodic review of automatic maximum coverage

(a) IN GENERAL.—On January 1, 2025, and every five years thereafter, the Secretary shall—

(1) complete a review of how the amount specified in section 1967(a)(3)(A)(i) compares to the amount described in subsection (b); and

(2) submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate the results of the review.

(b) AMOUNT DESCRIBED.—The amount described in this subsection is the amount equal to—

(1) $500,000; multiplied by

(2) the average percentage by which the Consumer Price Index changed during the five fiscal years preceding the review under subsection (a).

(c) CONSUMER PRICE INDEX DEFINED.—In this section, the term "Consumer Price Index" means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

* * * * * * *

○