

104TH CONGRESS
2^D SESSION

H. R. 3373

IN THE SENATE OF THE UNITED STATES

MAY 22, 1996

Received; read twice and referred to the Committee on Veterans' affairs

AN ACT

To amend title 38, United States Code, to improve certain veterans' benefits 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; REFERENCES TO TITLE 38,**
 2 **UNITED STATES CODE.**

3 (a) **SHORT TITLE.**—This Act may be cited as the
 4 “Veterans’ Benefits Amendments of 1996”.

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

10 **TITLE I—INSURANCE REFORM**

11 **SEC. 101. MERGER OF RETIRED RESERVE**
 12 **SERVICEMEMBERS’ GROUP LIFE INSURANCE**
 13 **AND VETERANS’ GROUP LIFE INSURANCE**
 14 **AND EXTENSION OF VETERANS’ GROUP LIFE**
 15 **INSURANCE TO MEMBERS OF THE READY RE-**
 16 **SERVE.**

17 (a) **DEFINITION OF MEMBER.**—Section 1965(5) is
 18 amended—

19 (1) by inserting “and” at the end of subpara-
 20 graph (B);

21 (2) by striking out subparagraphs (C) and (D);
 22 and

23 (3) by redesignating subparagraph (E) as sub-
 24 paragraph (C).

25 (b) **PERSONS INSURED.**—Section 1967 is amended—

26 (1) in subsection (a)—

1 (A) by inserting “and” at the end of para-
2 graph (1);

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

5 (C) by striking out “or the first day a
6 member of the Reserves, whether or not as-
7 signed to the Retired Reserve of a uniformed
8 service, meets the qualifications of section
9 1965(5)(C) of this title, or the first day a mem-
10 ber of the Reserves meets the qualifications of
11 section 1965(5)(D) of this title,”; and

12 (2) by striking out subsection (d).

13 (c) DURATION AND TERMINATION OF COVERAGE.—

14 Section 1968 is amended—

15 (1) in subsection (a)—

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

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

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

25 (D) in paragraph (4)—

1 (i) by striking out “from such” in the
2 matter preceding subparagraph (A) and all
3 that follows through “(A) unless on” and
4 inserting in lieu thereof “from such assign-
5 ment, unless on”;

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

9 (iii) by striking out subparagraphs
10 (B) and (C); and

11 (E) by striking out paragraphs (5) and
12 (6); and

13 (2) in subsection (b), by striking out the last
14 two sentences.

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

16 (1) in subsection (a)(2), by striking out “is as-
17 signed to the Reserve (other than the Retired Re-
18 serve) and meets the qualifications of section
19 1965(5)(C) of this title, or is assigned to the Retired
20 Reserve and meets the qualifications of section
21 1965(5)(D) of this title,”;

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

23 (3) by redesignating subsections (f) and (g) as
24 subsections (e) and (f), respectively.

1 **SEC. 102. CONVERSION TO COMMERCIAL LIFE INSURANCE**
2 **POLICY.**

3 (a) SGLI CONVERSION.—Subsection (b) of section
4 1968, as amended by section 101(c)(2), is amended—

5 (1) by inserting “(1)” after “(b)” at the begin-
6 ning of the subsection;

7 (2) by striking out “would cease,” in the first
8 sentence and all that follows through the period at
9 the end of the sentence and inserting in lieu thereof
10 “would cease—

11 “(A) shall be automatically converted to Veter-
12 ans’ Group Life Insurance, subject to (i) the timely
13 payment of the initial premium under terms pre-
14 scribed by the Secretary, and (ii) the terms and con-
15 ditions set forth in section 1977 of this title; or

16 “(B) at the election of the member, shall be
17 converted to an individual policy of insurance as de-
18 scribed in section 1977(e) of this title upon written
19 application for conversion made to the participating
20 company selected by the member and payment of the
21 required premiums.”; and

22 (3) by designating the second sentence as para-
23 graph (2) and in that sentence striking out “Such
24 automatic conversion” and inserting in lieu thereof
25 “Automatic conversion to Veterans’ Group Life In-
26 surance under paragraph (1)”.

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

2 (1) in subsection (a)—

3 (A) by inserting “(1)” after “(a)”;

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

5 and

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

7 “(2) If any person insured under Veterans’ Group
8 Life Insurance again becomes insured under
9 Servicemembers’ Group Life Insurance but dies before ter-
10 minating or converting such person’s Veterans’ Group In-
11 surance, Veterans’ Group Life Insurance shall be payable
12 only if such person is insured for less than \$200,000
13 under Servicemembers’ Group Life Insurance, and then
14 only in an amount which, when added to the amount of
15 Servicemembers’ Group Life Insurance payable, does not
16 exceed \$200,000.”; and

17 (2) in subsection (e)—

18 (A) in the first sentence, by inserting “at
19 any time” after “shall have the right”; and

20 (B) by striking out the third sentence and
21 inserting in lieu thereof the following: “The
22 Veterans’ Group Life Insurance policy will ter-
23minate on the day before the date on which the
24 individual policy becomes effective.”.

1 **SEC. 103. INFORMATION TO BE PROVIDED MEMBERS CON-**
2 **CERNING AUTOMATIC MAXIMUM COVERAGE**
3 **OF \$200,000 UNDER SERVICEMEN'S GROUP**
4 **LIFE INSURANCE.**

5 Section 1967, as amended by section 101(b), is
6 amended by inserting after subsection (c) the following
7 new subsection (d):

8 “(d) Whenever a member has the opportunity to
9 make an election under subsection (a) not to be insured
10 under this subchapter, or to be insured under this sub-
11 chapter in an amount less than the maximum amount of
12 \$200,000, and at such other times periodically thereafter
13 as the Secretary concerned considers appropriate, the Sec-
14 retary concerned shall furnish to the member general in-
15 formation concerning life insurance. Such information
16 shall include—

17 “(1) the purpose and role of life insurance in fi-
18 nancial planning;

19 “(2) the difference between term life insurance
20 and whole life insurance;

21 “(3) the availability of commercial life insur-
22 ance; and

23 “(4) the relationship between Servicemembers’
24 Group Life Insurance and Veterans’ Group Life In-
25 surance.”.

1 **SEC. 104. RENAMING OF SERVICEMEN'S GROUP LIFE IN-**
2 **SURANCE PROGRAM.**

3 (a) IN GENERAL.—The program of insurance oper-
4 ated by the Secretary of Veterans Affairs under sub-
5 chapter III of chapter 19 of title 38, United States Code,
6 is hereby redesignated as the Servicemembers' Group Life
7 Insurance program.

8 (b) AMENDMENTS TO CHAPTER 19.—(1) Sections
9 1967(a), (c), and (e), 1968(b), 1969(a)–(e), 1970(a), (f),
10 and (g), 1971(b), 1973, 1974, and 1977(a), (d), (e), and
11 (g) are amended by striking out “Servicemen’s Group”
12 each place it appears and inserting in lieu thereof
13 “Servicemembers’ Group”.

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

16 “SUBCHAPTER III—SERVICEMEMBERS’ GROUP
17 LIFE INSURANCE (FORMERLY SERVICE-
18 MEN’S GROUP LIFE INSURANCE)”.

19 (B) The heading of section 1974 is amended to read
20 as follows:

21 “§ 1974. **Advisory Council on Servicemembers’ Group**
22 **Life Insurance (formerly Servicemen’s**
23 **Group Life Insurance)”.**

24 (3) The table of sections at the beginning of chapter
25 19 is amended—

1 (A) by striking out the item relating to sub-
2 chapter III and inserting in lieu thereof the follow-
3 ing:

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

4 and

5 (B) by striking out the item relating to section
6 1974 and inserting in lieu thereof the following:

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

7 (c) OTHER CONFORMING AMENDMENTS.—(1) Sec-
8 tion 1315(f)(1)(F) is amended by striking out “service-
9 men’s” the first place it appears and inserting in lieu
10 thereof “servicemembers”.

11 (2) Sections 3017(a) and 3224(1) are amended by
12 striking out “Servicemen’s” each place it appears and in-
13 serting in lieu thereof “Servicemembers”.

14 **SEC. 105. EFFECTIVE DATE.**

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

1 **TITLE II—OTHER MATTERS**

2 **SEC. 201. ELIGIBILITY OF CERTAIN MINORS FOR BURIAL IN**
3 **NATIONAL CEMETERIES.**

4 (a) **ELIGIBILITY.**—Paragraph (5) of section 2402 is
5 amended by adding at the end thereof the following: “For
6 purposes of this paragraph, a ‘minor child’ is a child under
7 21 years of age, or under 23 years of age if pursuing a
8 program of education at an educational institution, and
9 those terms have the meaning as defined in sections 3452
10 (b) and (c) of this title.”.

11 (b) **CONFORMING AMENDMENT.**—Section 101(4)(A)
12 is amended by striking out “chapter 19” and inserting in
13 lieu thereof “chapters 19 and 24”.

14 **SEC. 202. PROGRAMS, PROJECTS, AND ACTIVITIES OF THE**
15 **EDUCATION SERVICE, DEPARTMENT OF VET-**
16 **ERANS AFFAIRS.**

17 (a) **LOCATED IN THE DISTRICT OF COLUMBIA.**—
18 Chapter 77 is amended by inserting after section 7703 the
19 following new section:

20 **“§ 7705. Management, policy, and operations func-**
21 **tions associated with the educational as-**
22 **sistance programs of the Education Serv-**
23 **ice**

24 “The offices of Education Procedures Systems, Edu-
25 cation Operations, and Education Policy and Program Ad-

1 ministration, and any successor to any such office, of the
2 Education Service of the Veterans Benefit Administration
3 shall be in the District of Columbia.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
5 at the beginning of such chapter is amended by inserting
6 after the item relating to section 7703 the following new
7 item:

“7705. Management, policy, and operations functions associated with the edu-
cational assistance programs of the Education Service.”.

Passed the House of Representatives May 21, 1996.

Attest:

ROBIN H. CARLE,

Clerk.

By LINDA NAVE,

Deputy Clerk.