

refund of unearned premiums, and such other provisions as may be found to be reasonable and practicable may be provided for in the policy of insurance from time to time by regulations promulgated by the Secretary.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, §706; renumbered §1906 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

#### AMENDMENTS

1991—Pub. L. 102-83 renumbered section 706 of this title as this section and substituted "Secretary" for "Administrator".

#### § 1907. Payment or use of dividends

(a) Until and unless the Secretary has received from the insured a request or directive in writing exercising any other dividend option allowable under the insured's policy, any dividend accumulations and unpaid dividends shall be applied in payment of premiums becoming due on insurance subsequent to the date the dividend is payable after January 1, 1952.

(b) No claim by an insured for payment in cash of a special dividend declared prior to January 1, 1952, shall be processed by the Secretary unless such claim was received within six years after such dividend was declared. Whenever any claim for payment of a special dividend, the processing of which is barred by this subsection, is received by the Secretary, it shall be returned to the claimant, with a copy of this subsection, and such action shall be a complete response without further communication.

(c) The Secretary, upon application in writing made by the insured for insurance under this subsection, and without proof of good health, is authorized to apply any dividend due and payable on national service life insurance after the date of such application to purchase paid up insurance. Also, the Secretary, upon application in writing made by the insured during the one-year period beginning September 1, 1991, and without proof of good health, is authorized to apply any national service life insurance dividend credits and deposits of such insured existing at the date of the insured's application to purchase paid up insurance. After September 1, 1992, the Secretary may, from time to time, provide for further one-year periods during which insureds may purchase additional paid up insurance from existing dividend credits and deposits. Any such period for the purchase of additional paid up insurance may be allowed only if the Secretary determines in the case of any such period that it would be actuarially and administratively sound to do so. Any dividends, dividend credits, or deposits on endowment policies may be used under this subsection only to purchase additional paid up endowment insurance which matures concurrently with the basic policy. Any dividends, dividend credits, or deposits on policies (other than endowment policies) may be used under this section only to purchase additional paid up whole life insurance. The paid up insurance granted under this subsection shall be in addition to any insurance otherwise authorized under this title, or under prior provisions of law. The paid up insurance granted under this subsection shall be issued on the same terms

and conditions as are contained in the standard policies of national service life insurance except (1) the premium rates for such insurance and all cash and loan values thereon shall be based on such table of mortality and rate of interest per annum as may be prescribed by the Secretary; (2) the total disability income provision authorized under section 1915 of this title may not be added to insurance issued under this section; and (3) the insurance shall include such other changes in terms and conditions as the Secretary determines to be reasonable and practicable.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, §707; Pub. L. 91-291, §9, June 25, 1970, 84 Stat. 331; Pub. L. 92-188, §2, Dec. 15, 1971, 85 Stat. 645; Pub. L. 97-295, §4(22), Oct. 12, 1982, 96 Stat. 1306; Pub. L. 99-576, title VII, §701(23), Oct. 28, 1986, 100 Stat. 3292; renumbered §1907 and amended Pub. L. 102-83, §§4(a)(2)(A)(iii)(I), (C)(i), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403-406; Pub. L. 102-86, title II, §203, Aug. 14, 1991, 105 Stat. 416.)

#### AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 707 of this title as this section.

Subsec. (a). Pub. L. 102-83, §4(a)(2)(A)(iii)(I), substituted "Secretary" for "Veterans' Administration".

Subsec. (b). Pub. L. 102-83, §4(a)(2)(C)(i), substituted "by the Secretary" for "in the Veterans' Administration" in second sentence.

Pub. L. 102-83, §4(a)(2)(A)(iii)(I), substituted "Secretary" for "Veterans' Administration" in first sentence.

Subsec. (c). Pub. L. 102-86 amended subsec. (c) of this section as in effect before the redesignations made by Pub. L. 102-83, §5, by substituting "during the one-year period beginning September 1, 1991" for "before February 1, 1973" and inserting after second sentence "After September 1, 1992, the Secretary may, from time to time, provide for further one-year periods during which insureds may purchase additional paid up insurance from existing dividend credits and deposits. Any such period for the purchase of additional paid up insurance may be allowed only if the Secretary determines in the case of any such period that it would be actuarially and administratively sound to do so."

Pub. L. 102-83, §5(c)(1), substituted "1915" for "715" in cl. (2).

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

1986—Subsecs. (a), (c). Pub. L. 99-576 substituted "the insured's" for "his".

1982—Subsec. (c). Pub. L. 97-295 substituted "before February 1, 1973" for "within six calendar months after the effective date of this subsection".

1971—Pub. L. 92-188, §2(3), substituted "Payment or use of dividends" for "Dividends to pay premiums" as section catchline.

Subsec. (a). Pub. L. 92-188, §2(1), substituted "or directive in writing exercising any other dividend option allowable under his policy" for "in writing for payment in cash".

Subsec. (c). Pub. L. 92-188, §2(2), added subsec. (c).

1970—Pub. L. 91-291 designated existing provisions as subsec. (a) and added subsec. (b).

#### EFFECTIVE DATE OF 1971 AMENDMENT

Section 4 of Pub. L. 92-188 provided that: "The amendments made by this Act [amending this section and sections 703 and 741 [now 1903 and 1941] of this title] shall take effect on a date established by the Administrator but in no event later than the first day of the first calendar month which begins more than six calendar months after the date of enactment of this Act [Dec. 15, 1971]."

## EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

**§ 1908. Premium payments**

The Secretary shall, by regulations, prescribe the time and method of payment of the premiums on insurance, but payments of premiums in advance shall not be required for periods of more than one month each, and may at the election of the insured be deducted from the insured's active-service pay or be otherwise made. An amount equal to the first premium due under a National Service Life Insurance policy may be advanced from current appropriations for active-service pay to any person in the active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard, which amount shall constitute a lien upon any service or other pay accruing to the person for whom such advance was made and shall be collected therefrom if not otherwise paid. No disbursing or certifying officer shall be responsible for any loss incurred by reason of such advance. Any amount so advanced in excess of available service or other pay shall constitute a lien on the policy within the provisions of section 5301(b) of this title.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, § 708; Pub. L. 99-576, title VII, § 701(24), Oct. 28, 1986, 100 Stat. 3292; Pub. L. 102-40, title IV, § 402(d)(1), May 7, 1991, 105 Stat. 239; renumbered § 1908 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

## AMENDMENTS

1991—Pub. L. 102-83 renumbered section 708 of this title as this section and substituted "Secretary" for "Administrator".

Pub. L. 102-40 substituted "5301(b)" for "3101(b)".

1986—Pub. L. 99-576 substituted "the insured's" for "his".

## TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

**§ 1909. Effective date of insurance**

Insurance may be made effective, as specified in the application, not later than the first day of the calendar month following the date of application therefor, but the United States shall not be liable thereunder for death occurring before such effective date.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, § 709; renumbered § 1909, Pub. L. 102-83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

## AMENDMENTS

1991—Pub. L. 102-83 renumbered section 709 of this title as this section.

**§ 1910. Incontestability**

Subject to the provisions of section 1911 of this title all contracts or policies of insurance here-

tofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issue, reinstatement, or conversion except for fraud, nonpayment of premium, or on the ground that the applicant was not a member of the military or naval forces of the United States. However, in any case in which a contract or policy of insurance is canceled or voided after March 16, 1954, because of fraud, the Secretary shall refund to the insured, if living, or, if deceased, to the person designated as beneficiary (or if none survives, to the estate of the insured) all money, without interest, paid as premiums on such contract or policy for any period subsequent to two years after the date such fraud induced the Secretary to issue, reinstate, or convert such insurance less any dividends, loan, or other payment made to the insured under such contract or policy.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, § 710; renumbered § 1910 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(iii)(II), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403-406.)

## AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 710 of this title as this section.

Pub. L. 102-83, § 5(c)(1), substituted "1911" for "711".

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" before "shall".

Pub. L. 102-83, § 4(a)(2)(A)(iii)(II), substituted "Secretary" for "Veterans' Administration" before "to issue".

**§ 1911. Forfeiture**

Any person guilty of mutiny, treason, spying, or desertion, or who, because of conscientious objections, refuses to perform service in the Armed Forces of the United States or refuses to wear the uniform of such force, shall forfeit all rights to National Service Life Insurance. No insurance shall be payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy of the United States; but the cash surrender value, if any, of such insurance on the date of such death shall be paid to the designated beneficiary, if living, or otherwise to the beneficiary or beneficiaries within the permitted class in accordance with the order specified in section 1916(b) of this title.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1150, § 711; renumbered § 1911 and amended Pub. L. 102-83, § 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406.)

## AMENDMENTS

1991—Pub. L. 102-83 renumbered section 711 of this title as this section and substituted "1916(b)" for "716(b)".

**§ 1912. Total disability waiver**

(a) Upon application by the insured and under such regulations as the Secretary may promulgate, payment of premiums on insurance may be waived during the continuous total disability of the insured, which continues or has continued for six or more consecutive months, if such disability began (1) after the date of the insured's application for insurance, (2) while the insurance was in force under premium-paying conditions, and (3) before the insured's sixty-fifth