

provisions requiring credit to Veterans Reopened Insurance Fund of all premiums and collections on insurance issued pursuant to this section and disbursements from that fund of all payments on insurance and total disability provisions attached thereto, separate determination for actuarial purposes of the various insured groups under this section, transfer to fund from Veterans Special Term Insurance Fund to provide initial capital of excess funds not exceeding \$1,650,000, and repayment over a reasonable time at interest to be determined by the Secretary of the Treasury.

Subsec. (d)(2). Pub. L. 89-40, §1(4), struck out reference to subsec. (b) of this section.

Subsec. (d)(3). Pub. L. 89-40, §1(5), struck out reference to National Service Life Insurance appropriation.

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-128 effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Pub. L. 89-40 provided that the amendment made by Pub. L. 89-40 is effective May 1, 1965.

EFFECTIVE DATE

Section 12(d) of Pub. L. 88-664 provided that: "The amendments made by this section [enacting this section and amending section 704 [now 1904] of this title] shall take effect as of the first day of the first calendar month which begins more than six calendar months after the date of enactment of this Act [Oct. 13, 1964]."

§ 1926. Authority for higher interest rates for amounts payable to beneficiaries

Notwithstanding sections 1902, 1923, and 1925 of this title, if the beneficiary of an insurance policy receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in the appropriate section of this subchapter. The Secretary may from time to time establish a higher interest rate under the preceding sentence only in accordance with a determination that such higher rate is administratively and actuarially sound for the program of insurance concerned. Any such higher interest rate shall be paid on the unpaid balance of such monthly installments.

(Added Pub. L. 96-128, title III, §302(a), Nov. 28, 1979, 93 Stat. 986, §726; renumbered §1926 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 726 of this title as this section.

Pub. L. 102-83, §5(c)(1), substituted "1902, 1923, and 1925" for "702, 723, and 725".

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

EFFECTIVE DATE

Section effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as an Effective Date of 1979 Amendment note under section 1114 of this title.

§ 1927. Authority for higher monthly installments payable to certain annuitants

(a) Subject to subsections (b) and (c) of this section, the Secretary may from time to time

adjust the dollar amount of the monthly installments payable to a beneficiary of National Service Life Insurance, Veterans Special Life Insurance, or Veterans Reopened Insurance who is receiving the proceeds of such insurance under a life annuity settlement option. The Secretary may make such an adjustment only if the Secretary determines that the adjustment is administratively and actuarially sound for the program of insurance concerned. The Secretary may make such an adjustment without regard to the provisions of sections 1902, 1923, and 1925 of this title with respect to interest rates and the use of mortality tables.

(b) The Secretary shall determine the amount in the trust funds in the Treasury held for payment of proceeds to National Service Life Insurance, Veterans Special Life Insurance, and Veterans Reopened Insurance beneficiaries attributable to interest and mortality gains on the reserves held for annuity accounts. Such amount shall be available for distribution to the life annuitants referred to in subsection (a) of this section as a fixed percentage of, and in addition to, the monthly installment amount to which the annuitants are entitled under this subchapter. For the purposes of this section, gains on the reserves are defined as funds attributable solely to annuity accounts that are in excess of actuarial liabilities.

(c) The monthly amount of an annuity authorized in sections 1902, 1923, and 1925 of this title, as adjusted under this section, may not be less than the monthly amount of such annuity that would otherwise be applicable without regard to this section.

(Added Pub. L. 100-322, title III, §331(a)(1), May 20, 1988, 102 Stat. 536, §727; renumbered §1927 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 727 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted "1902, 1923, and 1925" for "702, 723, and 725".

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

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

Subsec. (c). Pub. L. 102-83, §5(c)(1), substituted "1902, 1923, and 1925" for "702, 723, and 725".

§ 1928. Authority for payment of interest on settlements

(a) Subject to subsection (b) of this section, the Secretary may pay interest on the proceeds of a participating National Service Life Insurance, Veterans' Special Life Insurance, and Veterans Reopened Insurance policy from the date the policy matures to the date of payment of the proceeds to the beneficiary or, in the case of an endowment policy, to the policyholder.

(b)(1) The Secretary may pay interest under subsection (a) of this section only if the Secretary determines that the payment of such interest is administratively and actuarially sound for the settlement option involved.

(2) Interest paid under subsection (a) of this section shall be at the rate that is established by the Secretary for dividends held on credit or