case in which the Secretary finds that the insured's failure to make timely claim for waiver of premiums, or to submit satisfactory evidence of the existence or continuance of total permanent disability was due to circumstances beyond the insured's control, the Secretary may grant waiver or continuance of waiver of premiums. If the insured dies without filing claim for waiver, the beneficiary, within one year after the death of the insured, or, if the beneficiary is insane or a minor, within one year after removal of such legal disability, may file claim for waiver with evidence of the insured's right to waiver under this subsection. Policies containing a provision for waiver of premiums issued under this subsection may be separately classified for the purpose of dividend distribution from otherwise similar policies not containing such provision.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1158, § 742; Pub. L. 87–549, July 25, 1962, 76 Stat. 219; Pub. L. 99–576, title VII, § 701(29), Oct. 28, 1986, 100 Stat. 3292; renumbered § 1942 and amended Pub. L. 102–83, §§ 4(a)(2)(C)(iii), (b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404–406.)

AMENDMENTS

1991—Pub. L. 102–83, § 5(a), renumbered section 742 of this title as this section.

Subsecs. (a), (b). Pub. L. 102–83, § 4(b)(1), (2)(E), substituted ''Secretary'' for ''Administrator'' wherever appearing.

Subsec. (c). Pub. L. 102–83, § 4(b)(1), (2)(E), substituted ''Secretary'' for ''Administrator'' wherever appearing.

Pub. L. 102–83, § 4(a)(2)(C)(iii), substituted ''by the Secretary'' for ''in the Veterans' Administration''.

1986—Subsec. (b). Pub. L. 99–576, § 701(29)(A), substituted ''the insured's'' for ''his'' and ''the insured'' for ''he''.

Subsec. (c). Pub. L. 99–576, § 701(29)(B), substituted ''the insured'' for ''he'', ''the term'' for ''his term'', and ''the insured's control'' for ''his control'', and struck out ''his failure'' before ''to submit''.

1962—Pub. L. 87–549 designated existing provisions as subsec. (a) and added subsecs. (b) and (c).

§ 1943. Premiums

The premium rates for insurance shall be the net rates based upon the American Experience Table of Mortality and interest at 3½ percent per annum. Regulations shall prescribe the time and method of payment of premiums, but payments of premiums in advance shall not be required for periods of more than one month each, and may be deducted from the pay or deposit of the insured or be otherwise made at the insured's election.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1158, § 743; Pub. L. 97–295, § 4(26), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99–576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1943, Pub. L. 102–83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102–83 renumbered section 743 of this title as this section.

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

1982—Pub. L. 97–295 substituted ''percent'' for ''per centum''.

§ 1944. Policy provisions

(a) Provisions for maturity at certain ages, for continuous installments during the lifetime of the insured or beneficiaries, or both, for refund of premiums, cash, loan, paid-up and extended values, dividends from gains and savings, and such other provisions for the protection and advantage of and for alternative benefits to the insured and the beneficiaries as may be found to be reasonable and practicable may be provided for in insurance contracts or from time to time by regulations.

(b) All calculations on insurance shall be based upon the American Experience Table of Mortality and interest at 3½ percent per annum, except that no deduction shall be made for continuous installments during the life of the insured in case the insured's total and permanent disability continues more than two hundred and forty months.

(c) On and after July 19, 1939, the rate of interest charged on any loan secured by a lien on insurance shall not exceed 5 percent per annum.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1158, § 744; Pub. L. 97–295, § 4(26), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99–576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1944, Pub. L. 102–83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102–83 renumbered section 744 of this title as this section.

1986—Subsec. (b). Pub. L. 99–576 substituted ''the insured's'' for ''his''.

1982—Subsecs. (b), (c). Pub. L. 97–295 substituted ''percent'' for ''per centum''.

§ 1945. Renewal

At the expiration of any term period any insurance policy issued on the five-year level premium term plan which has not been exchanged or converted to a permanent plan of insurance and which is not lapsed shall be renewed as level premium term insurance without application for a successive five-year period at the premium rate for the attained age without medical examination. However, renewal shall be effected in cases where the policy is lapsed only if the insured makes application for reinstatement and renewal of the insured's term policy within five years after the date of lapse, and reinstatement in such cases shall be under the terms and conditions prescribed by the Secretary.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1159, § 745; Pub. L. 91–291, § 11, June 25, 1970, 84 Stat. 331; Pub. L. 99–576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1945 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 745 of this title as this section and substituted ''Secretary'' for ''Administrator''.

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

1970—Pub. L. 91–291 struck out effective date provision for renewal of policies, provisions that, in case of lapsed policies, such lapse have occurred within two months before the expiration of the term period, special provisions for the interim period between July 23, 1953 and December 31, 1953, and provisions that the section take effect on Sept. 2, 1958, and required that the insurer make application for reinstatement and renewal of his term policy within five years after the date of the lapse.

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.

§ 1946. Dividends to pay premiums

Until and unless the Secretary has received from the insured a request in writing for payment of dividends in cash or that the dividends be placed on deposit in accordance with the provisions of the insured's policy, any regular annual dividends shall be applied in payment of premiums becoming due on insurance after the date the dividend is payable on or after December 31, 1958.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1159, § 746; Pub. L. 99–576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1946 and amended Pub. L. 102–83, §§ 4(a)(2)(A)(iii)(V), 5(a), Aug. 6, 1991, 105 Stat. 403, 406.)

AMENDMENTS

1991—Pub. L. 102–83 renumbered section 746 of this title as this section and substituted ''Secretary'' for ''Veterans' Administration''.

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

§ 1947. Incontestability

Subject to the provisions of section 1954 of this title all contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issuance, reinstatement, or conversion, except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces of the United States. The insured under such contract or policy may, without prejudicing the insured's rights, elect to make claim to the Department or to bring suit under section 1984 of this title on any prior contract or policy, and if found entitled thereto, shall, upon surrender of any subsequent contract or policy, be entitled to payments under the prior contract or policy. 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. 1159, § 747; Pub. L. 99–576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1947 and amended Pub. L. 102–83, §§ 4(a)(2)(A)(iii)(VI), (3), (4), (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 747 of this title as this section.

Pub. L. 102–83, § 5(c)(1), substituted ''1954'' for ''754'' and ''1984'' for ''784''.

Pub. L. 102–83, § 4(b)(1), (2)(E), substituted ''Secretary'' for ''Administrator'' before ''shall'' in last sentence.

Pub. L. 102–83, § 4(a)(3), (4), substituted ''Department'' for ''Veterans' Administration''.

Pub. L. 102–83, § 4(a)(2)(A)(iii)(VI), substituted ''Secretary'' for ''Veterans' Administration'' before ''to issue'' in last sentence.

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

§ 1948. Total disability provision

The Secretary shall include in United States Government life insurance policies provision whereby an insured, who is totally disabled as a result of disease or injury for a period of four consecutive months or more before attaining the age of sixty-five years and before default in payment of any premium, shall be paid disability benefits at the rate of $5.75 monthly for each $1,000 of insurance in force when total disability benefits become payable. The amount of such monthly payment under the provisions of this section shall not be reduced because of payment of permanent and total disability benefits under the insurance policy. Such payments shall be effective as of the first day of the fifth consecutive month, and shall be made monthly during the continuance of such total disability. Such payments shall be concurrent with or independent of permanent and total disability benefits under the insurance policy. In addition to the monthly disability benefits the payment of premiums on the life insurance and for the total disability benefits authorized by this section shall be waived during the continuance of such total disability. Regulations shall provide for reexaminations of beneficiaries under this section; and, in the event that it is found that an insured is no longer totally disabled, the waiver of premiums and payment of benefits shall cease and the insurance policy, including the total disability provision, may be continued by payment of premiums as provided in said policy and the total disability provision. Neither the dividends nor the amount payable in any settlement under any United States Government life insurance policy shall be decreased because of disability benefits granted under the provisions of this section. The payment of total disability benefits shall not prejudice the right of any insured, who is totally and permanently disabled, to permanent and total disability benefits under the insured's insurance policy. The provision authorized by this section shall not be included in any United States Government life insurance policy heretofore or hereafter issued, except upon application, payment of premium by the insured, and proof of good health satisfactory to the Secretary. The benefit granted under this section shall be on the basis of multiples of $500, and not less than $1,000 or more than the amount of insurance in force at time of application. The Secretary shall determine the amount of the monthly premium to cover the benefits of this section, and in order to continue such benefits in force the monthly premiums shall be payable until the insured attains the age of sixty-five years or until the prior maturity of the policy. In all other respects such monthly premium shall be payable under the same terms and conditions as the regular monthly premium on the United States Government life insurance policy.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1159, § 748; Pub. L. 97–295, § 4(27), Oct. 12, 1982, 96 Stat. 1307;