the present value of the remaining unpaid monthly installments. No payments shall be made to any estate which under the laws of the residence of the insured or the beneficiary, as the case may be, would escheat, but same shall escheat to the United States and be credited to the United States Government Life Insurance Fund.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1160, § 750; Pub. L. 99–576, title VII, § 701(31), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1950, Pub. L. 102–83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102–83 renumbered section 750 of this title as this section.

1986—Pub. L. 99–576 substituted ''while alive or by last will'' for ''in his lifetime or by his last will and testament''.

§ 1951. Payment of insurance

United States Government life insurance, except as provided in this subchapter, shall be payable in two hundred and forty equal monthly installments. When the amount of an individual monthly payment is less than $5, such amount may in the discretion of the Secretary be allowed to accumulate without interest and be disbursed annually.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1161, § 751; renumbered § 1951 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 751 of this title as this section and substituted ''Secretary'' for ''Administrator''.

§ 1952. Optional settlement

(a) The Secretary may provide in insurance contracts for optional settlements, to be selected by the insured, whereby such insurance may be made payable either in one sum or in installments for thirty-six months or more. A provision may also be included in such contracts authorizing the beneficiary to elect to receive payment of the insurance in installments for thirty-six months or more, but only if the insured has not exercised the right of election as provided in this subchapter. Even though the insured may have exercised the right of election the beneficiary may elect to receive such insurance in installments spread over a greater period of time than that selected by the insured. Notwithstanding any provision to the contrary in any insurance contract, the beneficiary may, in the case of insurance maturing after September 30, 1981, and for which the insured has not exercised the right of election of the insured as provided in this subchapter, elect to receive payment of the insurance in one sum.

(b) Under such regulations as the Secretary may promulgate, the cash surrender value of any policy of insurance or the proceeds of an endowment contract which matures by reason of completion of the endowment period may be paid to the insured (1) in equal monthly installments of from thirty-six to two hundred and forty in number, in multiples of twelve; or (2) as a refund life income in monthly installments payable for such periods certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the cash value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the insured. However, all settlements under option (2) above shall be calculated on the basis of The Annuity Table for 1949. If the option selected requires payment of monthly installments of less than $10, the amount payable shall be paid in such maximum number of monthly installments as are a multiple of twelve as will provide a monthly installment of not less than $10.

(c)(1) Following the death of the insured and in a case not covered by section 1950 of this title—

(A) if the first beneficiary otherwise entitled to payment of the insurance does not make a claim for such payment within two years after the death of the insured, payment may be made to another beneficiary designated by the insured, in the order of precedence as designated by the insured, as if the first beneficiary had predeceased the insured; and

(B) if, within four years after the death of the insured, no claim has been filed by a person designated by the insured as a beneficiary and the Secretary has not received any notice in writing that any such claim will be made, payment may (notwithstanding any other provision of law) be made to such person as may in the judgment of the Secretary be equitably entitled thereto.

(2) Payment of insurance under paragraph (1) shall be a bar to recovery by any other person.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1161, § 752; Pub. L. 91–291, § 12, June 25, 1970, 84 Stat. 332; Pub. L. 97–66, title IV, § 403(b), Oct. 17, 1981, 95 Stat. 1031; Pub. L. 99–576, title VII, § 701(32), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1952 and amended Pub. L. 102–83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404–406; Pub. L. 108–183, title I, § 103(b), Dec. 16, 2003, 117 Stat. 2655.)

AMENDMENTS

2003—Subsec. (c). Pub. L. 108–183 added subsec. (c).

1991—Pub. L. 102–83 renumbered section 752 of this title as this section and substituted ''Secretary'' for ''Administrator'' in subsecs. (a) and (b).

1986—Subsec. (a). Pub. L. 99–576 substituted ''the right'' for ''his right'' in two places.

1981—Subsec. (a). Pub. L. 97–66 inserted provision empowering beneficiaries, in the case of insurance maturing after Sept. 30, 1981, and for which the insured has not exercised the right of election of the insured as provided in this subchapter, to elect to receive payment of the insurance in one sum.

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

EFFECTIVE DATE OF 2003 AMENDMENT

Amendment by Pub. L. 108–183 effective Oct. 1, 2004, see section 103(c) of Pub. L. 108–183, set out as a note under section 1917 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–66 effective Oct. 17, 1981, see section 701(b)(1) of Pub. L. 97–66, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91–291 effective first day of first calendar month which begins more than six calendar months after June 25, 1970, see section 14(a) of Pub. L. 91–291, set out as a note under section 1317 of this title.

TRANSITION PROVISION

For transition provision relating to subsec. (c)(1) of this section, see section 103(d) of Pub. L. 108–183, set out as a note under section 1917 of this title.

§ 1953. Assignments

Any person to whom United States Government life insurance shall be payable may assign such person's interest in such insurance to the spouse, child, grandchild, parent, brother, sister, uncle, aunt, nephew, niece, brother-in-law, or sister-in-law of the insured. Insofar as applicable, the definitions contained in section 3 of the World War Veterans' Act, 1924, in effect on December 31, 1958, shall apply to this section.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1161, § 753; Pub. L. 96–128, title III, § 304, Nov. 28, 1979, 93 Stat. 986; renumbered § 1953, Pub. L. 102–83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

REFERENCES IN TEXT

Section 3 of the World War Veterans' Act, 1924, referred to in text, is section 3 of act June 7, 1924, ch. 320, 43 Stat. 607, which was classified to section 424 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as section 101 of this title by Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1991—Pub. L. 102–83 renumbered section 753 of this title as this section.

1979—Pub. L. 96–128 substituted "such person's" for "his".

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.

§ 1954. Forfeiture

No yearly renewable term insurance or United States Government life insurance shall be payable for death inflicted as a lawful punishment for crime or military offense, except when inflicted by the enemy. In such cases the cash surrender value of United States Government life insurance, if any, on the date of such death shall be paid to the designated beneficiary if living, or if there be no designated beneficiary alive at the death of the insured the said value shall be paid to the estate of the insured.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1161, § 754; renumbered § 1954, Pub. L. 102–83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102–83 renumbered section 754 of this title as this section.

§ 1955. United States Government Life Insurance Fund

(a) All premiums paid on account of United States Government life insurance shall be deposited and covered into the Treasury to the credit of the United States Government Life Insurance Fund and shall be available for the payment of losses, dividends, refunds, and other benefits provided for under such insurance, including such liabilities as shall have been or shall hereafter be reduced to judgment in a district court of the United States or the United States District Court for the District of Columbia, and for the reimbursement of administrative costs under subsection (c). Payments from this fund shall be made upon and in accordance with awards by the Secretary.

(b) The Secretary is authorized to set aside out of the funds so collected such reserve funds as may be required, under accepted actuarial principles, to meet all liabilities under such insurance; and the Secretary of the Treasury is authorized to invest and reinvest the said United States Government Life Insurance Fund, or any part thereof, in interest-bearing obligations of the United States or bonds of the Federal farm-loan banks and to sell said obligations of the United States or the bonds of the Federal farm-loan banks for the purposes of such Fund.

(c)(1) For each fiscal year for which this subsection is in effect, the Secretary shall, from the United States Government Life Insurance Fund, reimburse the "General operating expenses" account of the Department for the amount of administrative costs determined under paragraph (2) for that fiscal year. Such reimbursement shall be made from any surplus earnings for that fiscal year that are available for dividends on such insurance after claims have been paid and actuarially determined reserves have been set aside. However, if the amount of such administrative costs exceeds the amount of such surplus earnings, such reimbursement shall be made only to the extent of such surplus earnings.

(2) The Secretary shall determine the administrative costs to the Department for a fiscal year for which this subsection is in effect which, in the judgment of the Secretary, are properly allocable to the provision of United States Government Life Insurance (and to the provision of any total disability income insurance added to the provision of such insurance).

(3) This subsection shall be in effect only with respect to fiscal year 1996.

(Pub. L. 85–857, Sept. 2, 1958, 72 Stat. 1161, § 755; renumbered § 1955 and amended Pub. L. 102–83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404–406; Pub. L. 104–99, title II, § 201(b), Jan. 26, 1996, 110 Stat. 36.)

CODIFICATION

Amendment by Pub. L. 104–99 is based on section 107(3) of H.R. 2099, One Hundred Fourth Congress, as passed by the House of Representatives on Dec. 7, 1995, which was enacted into law by Pub. L. 104–99.

AMENDMENTS

1996—Subsec. (a). Pub. L. 104–99 inserted ", and for the reimbursement of administrative costs under subsection (c)" after "District of Columbia".

Subsec. (c). Pub. L. 104–99 added subsec. (c).

1991—Pub. L. 102–83 renumbered section 755 of this title as this section and substituted "Secretary" for "Administrator" in subsecs. (a) and (b).