

Department of Veterans Affairs

§ 8.2

PREMIUM WAIVERS AND TOTAL DISABILITY

- 8.17 Discontinuance of premium waiver.
- 8.18 Total disability—speech.

BENEFICIARIES

- 8.19 Beneficiary and optional settlement changes.

PROOF OF DEATH, AGE, OR RELATIONSHIP

- 8.20 Proof of death, age, relationship and marriage.

AGE

- 8.21 Misstatement of age.

EXAMINATIONS

- 8.22 Examination of applicants for insurance or reinstatement.
- 8.23 Examination in connection with total disability benefits.
- 8.24 Expenses incident to examinations for insurance purposes.

EXTRA HAZARDS

- 8.25 Definition of “disease or injury traceable to the extra hazards of the military or naval service.”

OPTIONAL SETTLEMENTS

- 8.26 Options.

RENEWAL OF TERM INSURANCE

- 8.27 Renewal of National Service Life Insurance on the 5-year level premium term plan.

SETTLEMENT OF INSURANCE MATURING ON OR AFTER AUGUST 1, 1946

- 8.28 Conditional designation of beneficiary.
- 8.29 Application for reinstatement of total disability income provision.

NATIONAL SERVICE LIFE INSURANCE POLICY

- 8.30 Policy provisions.

APPEALS

- 8.31 Appeals to Board of Veterans Appeals.
- 8.32 Total disability for twenty years or more.
- 8.33 Guardian: definition and authority.
- 8.37 Cash value for term-capped policies.

AUTHORITY: 38 U.S.C. 501, 1901–1929, 1981–1988, unless otherwise noted.

APPLICATIONS

§ 8.0 Definition of and criteria for “good health”.

(a) *Definition.* The words *good health*, when used in connection with insurance, mean that the applicant is, from clinical or other evidence, free from

disease, injury, abnormality, infirmity, or residual of disease or injury to a degree that would tend to weaken or impair the normal functions of the mind or body or to shorten life.

(b) *Criteria.* Underwriting standards for determining whether an individual is in *good health*, based as far as practicable on general insurance usage, will be developed and published.

[33 FR 3176, Feb. 20, 1968, as amended at 47 FR 11657, Mar. 18, 1982. Redesignated and amended at 61 FR 29290, June 10, 1996]

EFFECTIVE DATE

§ 8.1 Effective date for insurance issued under section 1922(a) of title 38 U.S.C.

The effective date may be established upon written request of the applicant as follows:

(a) As of the date on which valid application and tender of premium are made.

(b) As of the first day of the month in which valid application and tender of premium are made.

(c) As of the first day of the month following the month in which valid application and tender of premium are made.

(d) As of the first day of any month, but not more than 6 months prior to the month in which valid application and tender of premium are made: *Provided*, That there be paid an amount equal to the full reserve on the insurance at the end of the month prior to the month in which application is made, and the full premium on the amount of insurance for the month in which application is made.

[61 FR 29291, June 10, 1996]

PREMIUMS

§ 8.2 Payment of premiums.

(a) *What is a premium?* A premium is a payment that a policyholder is required to make for an insurance policy.

(b) *How can policyholders pay premiums?* Premiums can be paid by:

(1) Cash, check, or money order directly to VA.

(2) Allotment from service or retirement pay.

§ 8.3

38 CFR Ch. I (7-1-01 Edition)

(3) Automatic deduction from VA benefits (pension, compensation or insurance dividends (see § 8.4)).

(4) Pre-authorized debit from a checking account.

(c) *When should policyholders pay premiums?* (1) Unless premiums are paid in advance, policyholders must pay premiums on the effective date shown on the policy and on the same date of each following month. This is called the “due date.”

(2) Policyholders may pay premiums quarterly, semi-annually, or annually in advance.

(d) *What happens if a policyholder does not pay a premium on time?* (1) When a policyholder pays a premium within 31 days from the “due date,” the policy remains in force. This 31-day period is called a “grace period.” If the insured dies within the 31-day grace period, VA

deducts the unpaid premium from the amount of insurance payable.

(2) If a policyholder pays a premium after the 31-day grace period, VA will not accept the payment and the policy lapses effective the date the premium was due; Except that VA will accept a premium paid after the 31-day grace period as a timely payment if:

(i) The policyholder pays the premium within 61 days of the due date; and

(ii) The policyholder is alive at the time the payment is mailed.

(3) When a policyholder pays the premium by mail, the postmark date is the date of payment.

(4) When a policyholder pays a premium by check or money order which is not honored and it is shown by satisfactory evidence that:

The bank did not pay the check or money order because of:	Then:
An error by the bank	The policyholder has an additional 31 days (from the date stamped on VA's notification letter) to pay the premium and any other premiums due through the current month.
An error in the check or money order	The policyholder has an additional 31 days (same as above).
Lack of funds	The premium is considered not paid.

[65 FR 7437, Feb. 15, 2000]

§ 8.3 Revival of insurance.

(a) If the sole reason death or total disability benefits under a policy of National Service life insurance cannot be granted is that the policy had lapsed, the insurance will be considered in force under premium-paying conditions on the date of death or the date of commencement of total disability if,

(1) On the date of lapse there were accrued dividends, not then payable, resulting from premiums paid since the last anniversary date of the policy and such dividends were equal to or greater in amount than the total of the monthly premiums which have become due from and including the date of lapse to the date of death or date of commencement of total disability, and/or

(2) At the end of the grace period for the unpaid premium causing lapse there were due and payable to the policyholder unpaid dividends, refundable premiums, pure insurance risk credits, other refundable credits or total disability benefit payments arising from the policyholder's U.S. Government or

National Service life insurance which are equal to or greater in amount than the total of the monthly premiums which have become due from and including the date of lapse to the date of death or date of commencement of total disability.

(3) For purposes of this section amounts under paragraphs (a)(1) and (2) of this section may be combined. In that case, the amount, if any, of dividend accrued under paragraph (a)(1) of this section will first be determined and the amount available under paragraph (a)(2) of this section, if any, will be added thereto for the purpose of determining if the total amount thus available is equal to or greater than the total of monthly premiums which have become due.

(4) In determining the amount of monthly premiums which have become due under paragraphs (a)(1) and (2) of this section a shortage of 10 percent per monthly premium may be allowed for a period not to exceed 3 months.

(5) In determining the monthly premiums which have become due for adjustment purposes under paragraphs