

AMENDMENTS TO NATIONAL SERVICE LIFE INSURANCE ACT OF 1940

DECEMBER 17 (Legislative day, DECEMBER 16), 1941.—Ordered to be printed

Mr. CLARK of Missouri, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 6219]

The Committee on Finance, to whom was referred the bill (H. R. 6219) to extend the provisions of section 602 (a) of the National Service Life Insurance Act of 1940 to personnel on active duty in the Army, Navy, Marine Corps, and Coast Guard, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

GENERAL STATEMENT

The House bill, for which the committee amendment is substituted, extended for 120 days the time within which personnel on active duty in the Army, Navy, Marine Corps, and Coast Guard could file applications for National Service Life Insurance without further medical examination.

Paragraph (1) of the committee amendment contains a similar provision and, in addition thereto, provides that after the expiration of such 120-day period any of such personnel may be granted such insurance at any time upon application, payment of premiums, and evidence satisfactory to the Administrator showing them to be in good health.

Paragraph (2) of the committee amendment grants automatic insurance of at least \$5,000 to any person who was in the active service on or after October 8, 1940, and before the expiration of 120 days after the date of enactment of this amendatory act, and who dies or has died in line of duty (including death resulting from disease or injury incurred in line of duty) during such period. The benefits so extended will be applicable only to those persons who did not have in force at the time of their death insurance under the War Risk Insurance Act, the World War Veterans' Act, or the National Service Life Insurance Act in the aggregate amount of at least \$5,000. This

means that if any such person died in line of duty during that period without having been granted any of such insurance, automatic insurance in the sum of \$5,000 immediately issues upon the date of enactment of this act. If he had taken out \$1,000 of insurance under any of the above-named acts, an additional amount of insurance in the sum of \$4,000 would immediately issue upon such date of enactment. This paragraph also provides that such insurance shall be payable in the same manner as insurance is payable under the National Service Life Insurance Act of 1940, but an exception is made with respect to the beneficiaries and the order in which they are to take. The only beneficiaries who will take under such automatic insurance and the order in which they shall take are as follows:

- (1) To the widow or widower of the insured, if living and while unmarried;
- (2) If no widow or widower entitled thereto, to the child or children of the insured, if living, in equal shares;
- (3) If no widow or widower entitled thereto, or child, to the dependent mother or father of the insured, if living, in equal shares.

Paragraph (3) of the committee substitute grants automatic insurance up to \$5,000 for any person in the active service who suffers total disability in line of duty during the same period specified in paragraph (2). Such insurance shall immediately issue on the date of enactment of this act and shall be effective as of the date such disability was so suffered but in no case shall it take effect prior to October 8, 1940. This paragraph also provides that premiums on such insurance shall be waived during the continuation of such total disability and, in order that the national service life insurance fund will not be depleted, the Administrator is authorized and directed to transfer from the national service life insurance appropriation to such fund such sums as may be necessary to cover all losses incurred and premiums waived under paragraphs (2) and (3) of the substitute. The committee has also amended the title to the bill so that it will be more descriptive of the matter contained in the substitute.

The committee would like to stress the point that many of the men (estimated to be about 50 percent) who have been killed or totally disabled during the period specified in the committee substitute have been granted no insurance at all. This is due to a number of factors, one of which was that many of the men expected to serve for a training period comprising peacetime service only. Other men were on extended duty in the North Atlantic, Hawaii, the Philippines, and other outlying bases and were unable to comply with the prerequisites necessary to the granting of such insurance. If we had been at war when the insurance act was originally enacted, there is no doubt that many men would have taken out such insurance who did not do so. The gravity of the situation was not any more apparent to them than it was to us and the committee feel that such men and their dependents and loved ones should not be denied relief because of the suddenness with which war was thrust upon us. Your committee, therefore, recommend the passage of the substitute but, at the same time, strongly urge the Congress that no further relief of this character be granted. We are now at war and the right to apply for such insurance is extended by this bill for 120 days. Everyone is now cognizant of the gravity of the situation, and no valid excuses will hereafter lie for failure to make timely application.