

AMENDING SUBSECTION 602 (d) (5) OF THE NATIONAL SERVICE LIFE INSURANCE ACT OF 1940, AS AMENDED, TO EXTEND FOR 2 YEARS THE TIME WITHIN WHICH ELIGIBLE PERSONS MAY APPLY FOR GRATUITOUS INSURANCE BENEFITS

FEBRUARY 24 (legislative day, FEBRUARY 2), 1948.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the following

## REPORT

[To accompany H. R. 4141]

The Committee on Finance, to whom was referred the bill (H. R. 4141) to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

### PURPOSE OF THE BILL

The bill would amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, in order to extend for 2 years the time in which eligible persons may apply for gratuitous (automatic) insurance benefits after the death of a veteran who was deemed to have been issued such insurance under existing law (subsec. 602 (d) of the National Service Life Insurance Act of 1940, as amended).

Under existing law (subsec. 602 (d) (5)) application must be made within 5 years after death of the insured and this bill would extend the time to 7 years after the death of the insured. Under present provisions the time for filing applications has expired with respect to those persons eligible to apply for such death benefits, who were residing in enemy-occupied territories, and were unable to learn of their rights or, if aware of such rights, were precluded from making application until the reoccupation of such territories or the release from captivity of such eligible persons. As an example, the time for filing applications has expired with respect to those veterans who died between the time of the Japanese attack on the Philippines in December 1941 and the formal surrender in May 1942 of the troops in the Philippines and due to the Japanese control of the Philippines after the surrender, the dependents eligible to apply for such insurance death benefits, who were residing in the Philippines, were precluded

## 2 AMENDING NATIONAL SERVICE LIFE INSURANCE ACT OF 1940

from making application until our reoccupation of the Philippines.

This bill is intended to correct, by the necessary extension of time for making such application, the above-described situations.

The report from the Administrator of Veterans' Affairs on this bill is self-explanatory and is as follows:

JANUARY 30, 1948.

Hon. EUGENE D. MILLIKIN,  
*Chairman, Committee on Finance,  
United States Senate,  
Washington 25, D. C.*

DEAR SENATOR MILLIKIN: Further reference is made to your letter of January 22, 1948, requesting a report on H. R. 4141, Eightieth Congress, an act to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits.

The proposed legislation would extend from 5 to 7 years the time within which eligible persons may apply for certain gratuitous insurance benefits granted under the provisions of subsections (d) (2) and (3) of section 602 of the National Service Life Insurance Act of 1940, as amended (38 U. S. C. 802). While this extension would particularly benefit persons residing in the Commonwealth of the Philippines, it would not be limited to cases involving Philippine Army veterans, but would be of general applicability. The provisions of the bill extend the time for filing claim for gratuitous insurance benefits in death cases only and do not extend the period of insurance coverage.

Subsection (d) (2) of section 602 of the National Service Life Insurance Act of 1940, as amended, provides that any person in the active service on or after October 8, 1940, who, while in such service and before the expiration of 120 days after the date of the enactment of the amendatory act, i. e., prior to April 20, 1942, dies or has died in line of duty, including death resulting from disease or injury incurred in line of duty, without having in force at the time of such death, insurance under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or the National Service Life Insurance Act of 1940, as amended, in the aggregate amount of at least \$5,000, shall be deemed to have applied for and to have been granted insurance in that amount as of the date of entry into active service, or October 8, 1940, whichever is later, and provides that payment shall be made to the widow or widower, or the child or children, or to the dependent mother or father of the insured in the order named.

Subsection 602 (d) (3) (A) of the National Service Life Insurance Act of 1940, as amended, provides that any person in the active service who on or after October 8, 1940, and prior to April 20, 1942, becomes totally disabled as a result of injury or disease incurred in line of duty, and such disability continues without interruption for 6 months or until death intervenes prior to the end of such 6 months' period without having in force at time of incurrence of such disability at least \$5,000 insurance issued under the War Risk Insurance Act, as amended, or the World War Veterans' Act, 1924, as amended, or the National Service Life Insurance Act, as amended, shall be deemed to have applied for and to have been granted, effective as of the commencement of such total disability, national service life insurance in an amount which together with any such insurance then in force shall aggregate \$5,000; and premiums on such insurance shall be waived until 6 months after the insured ceases to be totally disabled or until September 30, 1945, whichever is the earlier date. It is provided, however, that such protection shall cease and terminate, unless within such period such disabled person shall make application in writing for the continuance of all or any part of such insurance and shall submit evidence satisfactory to the Administrator of entitlement to waiver of premiums under section 602 (n) of the National Service Life Insurance Act of 1940, as amended, or tender the premiums thereafter becoming due.

Subsection 602 (d) (3) (B) of the National Service Life Insurance Act of 1940, as amended, provides that any person in the active service who on or after December 7, 1941, and prior to April 20, 1942, has been or shall be captured, besieged, or otherwise isolated by the forces of an enemy of the United States for a period of at least 30 consecutive days and extending beyond April 19, 1942, and at the time of such capture, siege, or isolation by the enemy, did not have in force insurance in the aggregate amount of at least \$5,000 under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or the National Service Life Insurance Act of 1940, as amended, shall be deemed to have applied

AMENDING NATIONAL SERVICE LIFE INSURANCE ACT OF 1940 3

for and to have been granted, effective as of the date of such capture, siege, or isolation, national service life insurance in an amount which together with any such insurance then in force, shall aggregate \$5,000 of such insurance. Such insurance shall remain in force and premiums on such insurance shall be waived during the period while such person remains so captured, besieged, or isolated and for 6 months thereafter, provided that such protection shall cease and terminate at the end of such period of 6 months, unless within such period such person shall make application in writing for the continuance of all or any part of such insurance and shall submit evidence satisfactory to the Administrator of entitlement to waiver of premiums under section 602 (n) of the National Service Life Insurance Act of 1940, as amended, or tender the premiums thereafter becoming due.

Subsection (d) (5) of section 602 of the National Service Life Insurance Act of 1940, as amended, provides that if any person deemed to have been issued insurance under subsection (3) (A) or (B) die without filing application and within the time limited therefor, death insurance benefits shall be payable in the manner and to the persons as stated in subsection (d) (2) of section 602. It is provided, however, that no application for insurance payments under subsection (2) or (3) shall be valid unless filed in the Veterans' Administration within 5 years after the date of death of the insured and the relationship and dependency of the applicant, where required as a basis for such claim, shall be proved as of date of death of the insured by evidence satisfactory to the Administrator. Persons shown by evidence satisfactory to the Administrator to have been mentally or legally incompetent at the time the right to apply for continuation of insurance or for death benefits expires, may make such application at any time within 1 year after the removal of such disability.

The proposed legislation would grant a further extension of 2 years, making a total of 7 years, within which eligible persons may apply for gratuitous insurance benefits after the death of a veteran who was deemed to have been issued such insurance under the law. This extension, as mentioned above, is designed to afford relief to persons such as the dependents of Philippine Army veterans who were unable to make the necessary applications for benefits by reason of the extended occupation of the Philippines by the enemy and the resultant unsettled conditions which existed for a time after we recaptured the islands. As stated above, under the existing provisions of subsection 602 (d) (5), application presently must be made within 5 years after death of the insured. Thus, the time for filing applications has expired with respect to claims by dependents of those veterans who died between the time of the Japanese attack on the Philippines in December 1941 and the formal surrender in May 1942 of the troops in the Philippines. Due to Japanese control of the Philippines after surrender, the persons eligible to apply for such benefits, who were then residing in the Philippines, were unable to learn of their rights or, if aware of such rights, were precluded from making application until the reoccupation of the Philippines by forces of the United States.

It will be noted that while subsection 602 (d) (5) is applicable to the provisions of subsection 602 (d) (3) (A) and (B), there can be no insurance presently in force under such subsections unless within the time therein specified application for continuance has heretofore been made. It would, however, extend the time for filing application for insurance which has heretofore matured under the provisions of subsection (3) (A) or (B).

The Veterans' Administration does not have available statistical information on which to base an estimate of the cost of the bill, but it appears that such cost would be substantial.

In its report to the President of the United States, the Interdepartmental Committee on Philippine Veterans' Problems, consisting of the Administrator of Veterans' Affairs as Chairman, the Secretary of State, the Secretary of War, and the United States Ambassador to the Philippines, recommended the enactment of legislation such as proposed by H. R. 4141, Eightieth Congress. The President concurred in the views of the committee and in communications addressed to the President pro tempore of the Senate and the Speaker of the House of Representatives, under date of July 1, 1947, urged the early enactment of this legislative proposal, among others. The communication to the President pro tempore of the Senate was referred to the Senate Committee on Finance.

Sincerely yours,

CARL R. GRAY, Jr., *Administrator.*

The committee is in accord with the purposes of the bill and recommends its enactment.

