Calendar No. 836

84TH CONGRESS, 1st Session | SENATE | REPORT No. 829

REDEFINING "STEPCHILD" AND "STEPPARENT" UNDER SERVICEMEN'S INDEMNITY

JULY 12 (legislative day, JULY 11), 1955.—Ordered to be printed

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

REPORT

[To accompany H. R. 6419]

The Committee on Finance, to whom was referred the bill (H. R. 6419) to redefine the terms "stepchild" and "stepparent" for the purposes of the Servicemen's Indemnity Act of 1951, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The Servicemen's Indemnity Act of 1951 (pt. I, Public Law 23, 82d Cong.) provides for the payment of a maximum amount of free indemnity of $92.90 monthly for a period of 10 years.

Section 3 of the act provides that such benefits shall be paid "only to the surviving spouse, child or children (including a stepchild, adopted child, or an illegitimate child if the latter was designated as beneficiary by the insured), parent (including a stepparent, parent by adoption, or person who stood in loco parentis to the insured at any time prior to entry into the active service for a period of not less than 1 year), brother, or sister of the insured, including those of the half-blood and those through adoption," and in the order named unless designated by the insured in a different order.

The bill would require that the stepchild be a member of the insured's household, unless designated as beneficiary by the insured.

It would also require that a stepparent, unless designated as the beneficiary, show that he stood in loco parentis to the insured prior to the latter's attainment of 21 years of age and for a period of not less than 1 year prior to his entry into active service.

Under existing law a stepchild is included in the term "child" and a stepparent is included in the term "parent" without any specific limiting language in either case. In the past it has been alleged that the bare legal relationship of stepchild and stepparent is sufficient to

constitute a basis of entitlement under section 3 of the Servicemen's Indemnity Act. While such construction is contrary to the present ruling by the Administrator of Veterans' Affairs as shown by Administrator's decisions 952 and 955, the committee deems it advisable to enact clarifying language clearly restricting the payment of indemnity benefits in such cases similar to that providing for the payment of other gratuities such as compensation and pension.

It is not believed that the indemnity should be awarded a stepchild or stepparent by reason of the bare legal relationship by affinity only. Such relationship carries with it none of the ordinary reciprocal obligations of parent and child. This bill would correct the obvious deficiencies of this section.

The representatives of the Veterans' Administration, in testifying on this before a subcommittee of the House Veterans' Affairs Committee, indicated that in the administration of the Servicemen's Indemnity Act a number of cases had developed in which claims have been made by stepchildren and stepparents who in fact had no familial relationship to the serviceman. Since this bill would require that the familial relationship be established, in the absence of a showing of the serviceman's intent by specific designation, it is believed in the interest of all concerned that the bill should be enacted into law.

The bill was amended by the House committee in accordance with the Veterans' Administration recommendation, to include a section dealing with the effective date and discontinuance of awards.

No additional administrative or other costs would be occasioned by enactment of this legislation.

The report submitted by the Veterans' Administration to the House committee is as follows:

JUNE 20, 1955.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D. C.

DEAR MR. TEAGUE: This is in reply to your request for a report by the Veterans' Administration on H. R. 6419, 84th Congress, a bill to redefine the terms "stepchild" and "stepparent" for the purposes of the Servicemen's Indemnity Act of 1951, as amended.

The purpose of the bill is to provide a more restrictive definition of the terms "stepchild" and "stepparent" for the purposes of the Servicemen's Indemnity Act of 1951, as amended. Under existing law a stepchild is included in the term "child" and a stepparent is included in the definition of the term "parent" without any specific limiting language in either case. The bill would require that the stepchild be a member of the insured's household, unless designated as beneficiary by the insured. It would also require that a stepparent, unless designated as the beneficiary, show that he stood in loco parentis to the insured prior to the latter's attainment of 21 years of age and for a period of not less than 1 year prior to his entry into the active service.

Section 3 of the Servicemen's Indemnity Act of 1951 provides as follows:

"Upon certification by the Secretary of the service department concerned of the death of any person deemed to have been automatically insured under this part, the Administrator of Veterans' Affairs shall cause the indemnity to be paid as provided in section 4 only to the surviving spouse, child, or children (including a stepchild, adopted child, or an illegitimate child if the latter was designated as beneficiary by the insured), parent (including a stepparent, parent by adoption, or person who stood in loco parentis to the insured at any time prior to entry into the active service for a period of not less than one year), brother, or sister of the insured, including those of the halfblood and those through adoption. The insured shall have the right to designate the beneficiary or beneficiaries of the indemnity within the classes herein provided; to designate the proportion of the principal amount to be paid to each; and to change the beneficiary or beneficiaries without the consent thereof but only within the classes herein provided. If the

designated beneficiary or beneficiaries do not survive the insured, or if none has been designated, the Administrator shall make payment of the indemnity to the first eligible class of beneficiaries according to the order set forth above, and in equal shares if the class is composed of more than one person. Unless designated otherwise by the insured, the term 'parent' shall include only the mother and father who last bore that relationship to the insured.

"Any installments of an indemnity not paid to a beneficiary during such beneficiary's lifetime shall be paid to the named contingent beneficiary, if any; otherwise, to the beneficiary or beneficiaries within the permitted class next entitled to priority: *Provided*, That no payment shall be made to the estate of any deceased person."

The administration of the servicemen's indemnity program has developed cases in which claims have been made by stepchildren and stepparents who, in fact, had no familial relationship to the serviceman. H. R. 6419 is apparently designed to require that such relationship be proven in the absence of evidence of the serviceman's intent by specific designation.

The question of whether a stepchild and a stepparent may qualify as beneficiaries of servicemen's indemnity upon a showing of the bare legal relationship has been of concern to the Veterans' Administration. The committee will be interested to know that after careful consideration of this question it was held in Administrator's decision No. 952, February 7, 1955, that "The bare legal relationship of stepparent is insufficient to constitute a basis of entitlement under section 3 of the Servicemen's Indemnity Act of 1951. As a prerequisite to eligibility to the indemnity benefit the stepparent must have exercised a familial relationship to the deceased serviceman." Further, upon a recent reconsideration of a prior decision concerning the eligibility of a stepchild for this benefit it was held in Administrator's decision No. 955 (to be printed under date of June 30, 1955) that "The bare legal relationship of stepchild is insufficient to constitute a basis of entitlement under section 3 of the Servicemen's Indemnity Act of 1951." Copies of such decisions are enclosed for the information of the committee.

Notwithstanding the foregoing, it is apparent that the act lacks definitions in these respects; hence the proposed amendment, which would be accomplished by H. R. 6419 and which would clarify the intent of the act as to definition of the terms "stepchild" and "stepparent" is desirable. Favorable action is recommended by the Veterans' Administration.

In order to provide for the orderly discontinuance of certain awards that may be necessitated, and to assure that duplicate payments of benefits will not be required in any case, it is recommended that a section 2 be added to the bill in accordance with the attached draft.

Due to the urgent request of the committee for a report on this measure, there has not been sufficient time in which to ascertain from the Bureau of the Budget the relationship of the proposed legislation to the program of the President.

Sincerely yours,

H. V. HIGLEY, *Administrator.*

SUGGESTED AMENDMENT TO H. R. 6419

SEC. 2. The amendment made by section 1 of this Act shall be effective April 25, 1951, but shall not be construed (1) to require the discontinuance, for any period prior to the first day of the third calendar month following approval of this enactment, of any servicemen's indemnity award made prior to the date of this Act, or (2) to require duplicate payments of benefits in any case.

ADMINISTRATOR'S DECISION, VETERANS' ADMINISTRATION, NO. 952

FEBRUARY 7, 1955.

Subject: Right of stepparent, who exercised no familial relationship, to benefits under section 3, Servicemen's Indemnity Act of 1951

Question presented: Does the bare legal relationship of "stepparent" constitute a legal basis of entitlement under section 3 of the Servicemen's Indemnity Act of 1951?

Facts: When the serviceman was about 3 years of age his mother left his father to live with the man who subsequently became the stepfather. Thereafter the serviceman was reared to manhood by his father and paternal aunt. Meanwhile, his father obtained a divorce from his mother, who entered into a ceremonial marriage with the stepfather in August 1944. The servicemen entered service in 1947 and died in 1952, single and without issue. His father died in 1951. There is no record of designated beneficiary for indemnity purposes.

From the time the serviceman was about 3 years of age until his death his mother failed to exercise any of the duties of motherhood. The stepfather was his stepfather in name only, without there having been between them at any time a family relationship in the usual sense. The serviceman was never a member of stepfather's household and the latter never assumed any parental responsibility toward him.

It has been determined that the parents of the servicemen are entitled to indemnity under the distributive provisions of the law, that the aunt rather than the natural mother is entitled to one-half as the last person who bore the relationship of mother.

Comment: Section 3, Servicemen's Indemnity Act of 1951 (pt. I, Public Law 23, 82d Cong., 38 U. S. C. 852), provides in part:

"Upon certification by the Secretary of the service department concerned of the death of any person deemed to have been automatically insured under this part, the Administrator of Veterans' Affairs shall cause the indemnity to be paid as provided in section 4 only to the surviving spouse, child or children (including a stepchild, adopted child, or an illegitimate child if the latter was designated as beneficiary by the insured), parent (including a stepparent, parent by adoption, or person who stood in loco parentis to the insured at any time prior to entry into the active service for a period of not less than one year), brother, or sister of the insured, including those of the half-blood and those through adoption. The insured shall have the right to designate the beneficiary or beneficiaries of the indemnity within the classes herein provided; to designate the proportion of the principal amount to be paid to each; and to change the beneficiary or beneficiaries without the consent thereof but only within the classes herein provided. If the designated beneficiary or beneficiaries do not survive the insured, or if none has been designated, the Administrator shall make payment of the indemnity to the first eligible class of beneficiaries according to the order set forth above, and in equal shares if the class is composed of more than one person. Unless designated otherwise by the insured, the term "parent" shall include *only* the mother and father who last bore that relationship to the insured." (Italics supplied.)

The then Solicitor and the General Counsel have heretofore expressed the view that the bare legal relationship of stepparent (one who is the spouse of the natural parent), is sufficient to entitle such stepparent to indemnity under Public Law 23, if such stepparent be the last of that sex who stood in the parental relationship (opinion of Mar. 13, 1953, in the case of XC-16 520 248; opinion of the Solicitor, Op. Sol. 145-53; opinion of Dec. 23, 1953, in the case of XC-16 583 113). This view (which incidentally was that of the Comptroller General in relation to similar language in the World War Adjusted Compensation Act) was largely based upon comparison with the terms of the National Service Life Insurance Act (38 U. S. C. 801 et seq.) which limited stepparents to such designated by the insured, and to the fact that there are no such words of limitation in the Servicemen's Indemnity Act of 1951. It is a fact, however, that the Servicemen's Indemnity Act provides a gratuitous—as distinguished from a contractual—benefit; and hence, as stated in opinion of the General Counsel (Op. G. C. 116-54), it may be assumed that the Congress—since it did not define the term—expected or intended the act to be construed as had been other similar gratuity provisions.

The prior opinions may be supported, factually, by affinity as to the spouse of a natural parent who maintained the usual familial relationship to the service person; but the facts in the instant case demonstrate the anomaly of paying the husband of a mother who, as was said, in effect in *Baumet* v. *U. S.* (344 U. S. 82; 97 Law edition 111), disqualified herself by desertion of her child.[1] This requires reconsideration of the meaning of said section 3.

The question under the prior acts as to whether a person who bore the legal relationship of stepparent to the former serviceman is entitled to benefits as a "parent" was first raised in connection with the War Risk Insurance Act, as amended, section 22 (4) of which defined the term "parent" as follows:

"(4) The term 'parent' includes a father, mother, grandfather, grandmother, father through adoption, mother through adoption, stepfather, and stepmother, either of the person in the service or of the spouse."

In an opinion dated March 8, 1919, the then Associate General Counsel of the War Risk Insurance Bureau stated:

"It hardly seems probable that Congress included stepparents and stepchildren as persons within the benefits of the act because of the bare legal relationship by affinity. Such bare legal relationship, under the general law, carries with it none of the ordinary reciprocal obligations of parent and child. It is only when the

[1] This fact makes *U. S.* v. *Henning*, 344 U. S. 66, 97 Law edition 101, inapplicable.

stepparent has assumed to act in loco parentis that there rise mutual obligations of service and support. * * * It seems very reasonable, therefore, to suppose that the inclusion of stepparents and stepchildren by Congress was based upon the customary family relationship which exists in the great majority of cases where the legal relationship is established, and that consequently it was not the intention that the right to such benefits should be terminated, so long as the family relationship continues to exist."

Subsequently, in an opinion dated December 7, 1933, approved by the then Administrator on December 7, 1933, in the case of XC-335 975, the then Solicitor, after referring to the opinion quoted above, stated in part:

"The act of December 24, 1919, as heretofore stated included stepmothers as members of the permitted class for automatic insurance benefits making the amendment effective as of October 6, 1917. However, a stated by Mr.——— in his memorandum, quoted above, the word implies not only the bare legal relationship by affinity but also an assumption by the stepparent of mutual obligation of service and support, that is, an assumption of a relationship in loco parentis. This theory is well supported in law. * * * I am of the opinion that the reasoning laid down in the opinion of Mr. ———, hereinbefore referred to, should be applied: that the claimant is not entitled as stepmother of the soldier to the benefits of automatic insurance and her claim should be denied. * * *"

In that case as in the case now before us, the stepparent at no time exercised a familial relationship to the deceased serviceman. The reasoning of the opinion above referred to was applied by the War Risk Insurance Bureau, the Veterans' Bureau, and the Veterans' Administration in the administration of laws granting compensation, pension, and automatic insurance since 1919. Of course, dependency was also a factor as to compensation. The Veterans' Bureau and the Veterans' Administration applied the same rule as to adjusted compensation—the Comptroller General dissenting.

As stated in Administrator's decision 951, dated December 30, 1954, the question of intent and effect of a statute, particularly wherein terms are used—as here—without definition, is one fraught with great difficulty. In that case, as here, the term used in section 3, Servicemen's Indemnity Act of 1951 (adopted child), was used in comparable legislation relating to gratuities administered by the Veterans' Administration over a period of many years with a consistent administrative interpretation. It was concluded that the Congress should be presumed to have constructive knowledge of the interpretations of the Veterans' Administration and its predecessors and in the absence of a change in language in the new law to have adopted such construction as applicable thereto. So here, viewing the Servicemen's Indemnity Act of 1951 as more nearly in pari materia with the Compensation Acts, than with the National Service Life Insurance Act,

In the present instance, in addition to including (without definition) the term "parent" in section 3 in the same manner as in the prior comparable legislation, the Congress added the proviso that the term "parent" under the circumstances enumerated, shall include only the mother and father who last bore that relationship to the insured, strengthening the view that a familial relationship must exist between the serviceman and the person claiming as stepparent as a prerequisite to eligibility to the indemnity benefit. The bare legal relationship of stepparent established by the marriage of a stranger to the natural parent of the serviceman, after such parent has been completely and permanently removed from the class of eligible beneficiaries by statutory requirements, as judicially construed, would appear to provide no logical basis for eligibility for the benefit from which the natural parent has been thus excluded. An intention to pro vide for such anomalous result should not be credited to Congress unless the statute plainly requires it.

Held: The bare legal relationship of stepparent is insufficient to constitute a basis of entitlement under section 3 of the Servicemen's Indemnity Act of 1951. As a prerequisite to eligibility to the indemnity b nefit the stepparent must have exercised a familial relationship to the deceased serviceman. (Opinion of the General Counsel, dated Dec. 17, 1954, approved Jan. 17, 1955.)

This decision is hereby promulgated for observance by all officers and employees of the Veterans' Administration.

H. V. HIGLEY.
Administrator of Veterans' Affairs.

Distribution in accordance with VA form 3-3040, mailing or distribution list.

ADMINISTRATOR'S DECISION, VETERANS' ADMINISTRATION No. 955

JUNE 30, 1955.

Subject: Right of stepchild to benefits under section 3, Servicemen's Indemnity Act of 1951, where no familial relationship exists

Question presented: Does the bare legal relationship of "stepchild" constitute a legal basis of entitlement under section 3 of the Servicemen's Indemnity Act of 1951?

Facts: The serviceman died in service on May 29, 1954. He was survived by a widow, four stepchildren, mother, father, and stepfather. Servicemen's indemnity in the amount of $10,000, for which no beneficiary had been designated, is payable.

The serviceman's widow filed claim for servicemen's indemnity, but died before any payments of the benefit had been made to her. The widow is survived by four children by a previous marriage. The permanent custody of these children was given to their father at the time the parents were divorced because, according to the decree, the mother had abandoned and deserted the children. The children were never members of the serviceman's household and the file contains no evidence to show that the serviceman ever saw the children.

Comment: Section 3, Servicemen's Indemnity Act of 1951 (pt. I, Public Law 23, 82d Cong.; 38 U. S. C. 852), is in part as follows:

"Upon certification by the Secretary of the service department concerned of the death of any person deemed to have been automatically insured under this part, the Administrator of Veterans' Affairs shall cause the indemnity to be paid as provided in section 4 only to the surviving spouse, child or children (including a stepchild, adopted child, or an illegitimate child if the latter was designated as beneficiary by the insured), parent (including a stepparent, parent by adoption, or person who stood in loco parentis to the insured at any time prior to entry into the active service for a period of not less than one year), brother, or sister of the insured, including those of the half-blood and those through adoption. The insured shall have the right to designate the beneficiary or beneficiaries of the indemnity within the classes herein provided; to designate the proportion of the principal amount to be paid to each; and to change the beneficiary or beneficiaries without the consent thereof but only within the classes herein provided. If the designated beneficiary or beneficiaries do not survive the insured, or if none has been designated, the Administrator shall make payment of the indemnity to the first eligible class of beneficiaries according to the order set forth above, and in equal shares if the class is composed of more than one person. Unless designated otherwise by the insured, the term 'parent' shall include only the mother and father who last bore that relationship to the insured."

The case on which Administrator's decision 930, dated April 3, 1953, is based involved the question as to whether the child of the veteran's widow by a prior marriage, who never became a member of the veteran's household, but lived continuously with his natural father, is a stepchild of the veteran within the purview of section 3, Public Law 23, 82d Congress, supra. In the Administrator's decision that question was answered as follows:

"The bare legal relationship of stepchild, while not sufficient for the purposes of an award of death compensation or death pension under the laws administered by the Veterans' Administration, does constitute a legal basis of entitlement to indemnity benefits under section 3, Public Law 23, 82d Congress" (opinion of the Solicitor dated Mar. 17, 1953, approved Mar. 20, 1953, XC-16 582 664).

The foregoing conclusion was influenced largely by the language of section 602 (g) of the National Service Life Insurance Act of 1940, as amended (38 U. S. C. 802 (g)), an act which provides benefits upon a contractual basis existing between the United States and individual veterans. The contractual basis upon which the benefits of the National Service Life Insurance Act are based sets it aside as materially distinct from other acts administered by the Veterans' Administration under which mere gratuities are paid. This distinction was pointed out in Administrator's decision 930, in which it was shown that a stepchild could be recognized as such for death compensation or death pension only if such child had been a member of the household of the person who served.

In considering the question of the analogy between the language of Public Law 23, 82d Congress, and section 602 (g) of the National Service Life Insurance Act of 1940, as amended, it was said in Administrator's decision 930 that—

"The language here under consideration ('including a stepchild, adopted child, or an illegitimate child if the latter was designated,' etc.) undoubtedly derived from section 602 (g) of the National Service Life Insurance Act of 1940, as amended

(38 U. S. C. 802 (g)) ('including a stepchild or an illegitimate child if designated as beneficiary by the insured'). Was it inadvertent or designed that the qualification 'if designated * * * by the insured' was limited to illegitimate children? As to an 'adopted child,' which term was added to the language, there is obviously no need of designation. (The term 'child' was defined by the National Service Life Insurance Act (sec. 601 (e)) as including an adopted child—and evidently the insertion of the term 'adopted child' in the clause under consideration was to effect the same purpose.) But why was the qualification, or restriction removed as to 'stepchild'? The legislative history of the act does not answer this question.

"Under the rules of statutory construction generally recognized for many years this change in language must have significance." (See Administrator's decision 514 as to adoptive brothers and sisters.)

The conclusion reached in Administrator's decision 930 was due to the fact that the indemnity provided for by Public Law 23, 82d Congress, was considered in that decision as analogous to insurance rather than as a gratuity, as was done in Administrator's decision 952.

In the case on which Administrator's decision 952, dated February 7, 1955, was predicated the question was whether the veteran's stepfather, who was his stepfather in name only, as there was at no time a family relationship between them in the usual sense was a stepfather within the purview of section 3, Public Law 23, 82d Congress. That question was answered as follows:

"The bare legal relationship of stepparent is insufficient to constitute a basis of entitlement under section 3 of the Servicemen's Indemnity Act of 1951. As a prerequisite to eligibility to the indemnity benefit the stepparent must have exercised a familial relationship to the deceased serviceman" (opinion of the General Counsel, dated Dec. 17, 1954, approved Jan. 17, 1955).

In reaching the above conclusion in Administrator's decision 952 it was stated among other things that—

"The then Solicitor and the General Counsel have heretofore expressed the view that the bare legal relationship of stepparent (one who is the spouse of the natural parent), is sufficient to entitle such stepparent to indemnity under Public Law 23, if such stepparent be the last of that sex who stood in the parental relationship (opinion of Mar. 13, 1953, in the case of XC-16 520 248; opinion of the Solicitor Op. Sol. 145-53; opinion of Dec. 23, 1953, in the case of XC-16 583 113). This view (which incidentally was that of the Comptroller General in relation to similar language in the World War Adjusted Compensation Act) was largely based upon comparison with the terms of the National Service Life Insurance Act (38 U. S. C. 801 et seq.) which limited stepparents to such designated by the insured, and to the fact that there are no such words of limitation in the Servicemen's Indemnity Act of 1951. *It is a fact, however, that the Servicemen's Indemnity Act provides a gratuitous—as distinguished from a contractual—benefit; and hence, as stated in opinion of the General Counsel, Op. G. C. 116-54, it may be assumed that the Congress—since it did not define the term—expected or intended the act to be construed as had been other similar gratuity provisions.* [Emphasis added.]

Upon reconsideration of the matter it is my present opinion that the rule enunciated in Administrator's decision 952, i. e., that since the indemnity is a gratuity the rules applicable to gratuities rather than those applicable to contract benefits (insurance) should be applied in interpreting the terms which are not specifically defined in Public Law 23, 82d Congress, such as stepchild and stepparent, and that, therefore, the rule enunciated in Administrator's decision 930 should no longer be followed.

Held: (1) The bare legal relationship of stepchild is insufficient to constitute a basis of entitlement under section 3 of the Servicemen's Indemnity Act of 1951.

(2) The rule enunciated in Administrator's decision 930 should no longer be followed (opinion of the General Counsel, dated May 20, 1955, approved June 3, 1955).

This decision is hereby promulgated for observance by all officers and employees of the Veterans' Administration.

H. V. HIGLEY,
Administrator of Veterans' Affairs.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 3 OF PUBLIC LAW 23, 82D CONGRESS, AS AMENDED

SEC. 3. Upon certification by the Secretary of the service department concerned of the death of any person deemed to have been automatically insured under this part, the Administrator of Veterans' Affairs shall cause the indemnity to be paid as provided in section 4 only to the surviving spouse, child or children (including a stepchild, *if designated as beneficiary by the insured or if a member of the insured's household*, adopted child, or an illegitimate child if the latter was designated as beneficiary by the insured), parent (including a *parent by adoption, or person who stood in loco parentis to the insured prior to attainment of twenty-one years of age and for a period of not less than one year prior to entry into the active service, or a step parent who does not meet the loco parentis requirement if designated as beneficiary* [stepparent,] parent by adoption, or person who stood in loco parentis to the insured [at any time prior to entry into the active service for a period of not less than one year]), brother or sister of the insured, including those of the half-blood and those through adoption. The insured shall have the right to designate the beneficiary or beneficiaries of the indemnity within the classes herein provided; to designate the proportion of the principal amount to be paid to each; and to change the beneficiary or beneficiaries without the consent thereof but only within the classes herein provided. If the designated beneficiary or beneficiaries do not survive the insured, or if none has been designated, the Administrator shall make payment of the indemnity to the first eligible class of beneficiaries according to the order set forth above, and in equal shares if the class is composed of more than one person. Unless designated otherwise by the insured, the term "parent" shall include only the mother and father who last bore that relationship to the insured.

Any installments of an indemnity not paid to a beneficiary during such beneficiary's lifetime shall be paid to the named contingent beneficiary, if any; otherwise, to the beneficiary or beneficiaries within the permitted class next entitled to priority: *Provided*, That no payment shall be made to the estate of any deceased person.

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