

Calendar No. 335

72D CONGRESS }
1st Session }

SENATE

} REPORT
No. 317

AMENDING SECTION 19 OF WORLD WAR VETERANS' ACT

FEBRUARY 24 (calendar day, FEBRUARY 25), 1932.—Ordered to be printed

Mr. WALSH of Massachusetts, from the Committee on Finance,
submitted the following

REPORT

[To accompany S. 1603]

The Committee on Finance, to whom was referred the bill (S. 1603) to amend section 19 of the World War veterans' act, as amended, having considered the same, report it back to the Senate and recommend that the bill do not pass.

The purpose of this bill is to extend the abatement of the statute of limitations as to the date of filing suit upon contracts of insurance.

STATEMENT OF FACTS

Section 19, World War veterans act 1924, as amended July 3, 1930, provides that the time for filing suits on insurance expired on July 3, 1931, in so far as suits had not been brought within six years after the right to sue accrued. An amendment enacted July 3, 1930, to section 19, World War veterans act, 1924 made it possible for suits that accrued as far back as 12 to 14 years to be entered before July 3, 1931. This amendment of July 3, 1930, permitted the filing against the Government of approximately 7,300 additional suits and increased the rate of suits by about 100 per week. Furthermore, approximately 56,000 claims for insurance benefits are pending before the insurance claims council of the Veterans' Administration. The Administrator of Veterans Affairs estimates that "at least 50 per cent will eventually develop into suits against the Government."

Under the existing law any suit can be brought within six years after the right accrued for which the claim is made. It does not appear that any undue hardship is resulting from the enforcement of the uniform period of six years. The extension of time for filing claims in cases more than 6 years old was amply provided for in the amendment which extended the time against the statute of limitations.

The report of the Administrator of Veterans' Affairs is as follows:

VETERANS' ADMINISTRATION,
Washington, February 8, 1932.

Hon. REED SMOOT,
Chairman Committee on Finance, United States Senate.

MY DEAR SENATOR: Receipt is acknowledged of your letter of December 29, 1931, with which you forwarded for report a copy of S. 1603, Seventh-second Congress, a bill to amend section 19 of the World War veterans' act, 1924, as amended.

This bill proposes that the first sentence of the second paragraph of section 19 of the World War veterans' act, 1924, as amended, be further amended by striking out the words "within one year from the date of the approval of this amendatory act" and inserting in lieu thereof "within one year from July 3, 1931." This would extend the abatement of the statute of limitations as to the date of filing suit upon contracts of insurance.

Suits brought under section 19 allege maturity, as a rule, dating back from 12 to 14 years. It would seem that all just claims arising under the contracts for insurance for permanent and total insurance benefits would have been filed with the Veterans' Administration or Federal courts within the period intervening from the date of the occurrence of the disability and the present date. It would not appear that any undue hardship would result in the enforcement of the uniform period of six years with the present abatement of all pleas with reference to the statute on all claims filed with the administration prior to July 3, 1930. As you know, the statute of limitations was tolled in all cases from July 3, 1930, to July 3, 1931.

As a result of the amendment of July 3, 1930, to section 19 of the World War veterans' act, 1924, providing that "no suit on yearly renewable term insurance shall be allowed under this section unless the same shall have been brought within six years after the right accrued for which the claim is made or within one year after the date of approval of this amendatory act, whichever is the later date, and no suit on United States Government life (converted) insurance shall be allowed under this section unless the same shall have been brought within six years after the right accrued for which the claim is made, * * *" the number of pending suits filed against the Government has increased to approximately 7,300 and are increasing at the rate of 100 suits per week. Furthermore, approximately 56,000 claims for insurance benefits are pending before the insurance-claims council. It may be conservatively estimated that at least 50 per cent of these claims will eventually develop into suits against the Government.

It is believed that section 19 of the World War veterans' act, as amended, at present provides ample remedies to all claimants and should not be amended until it has been sufficiently demonstrated that a hardship results to a claimant or a group of claimants.

A copy of this letter is inclosed for your use.

Very truly yours,

FRANK T. HINES, *Administrator.*

