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SENATE

{ REPORT
{ No. 348

INCLUDING DEPENDENT SISTERS WITHIN CLASSES TO BE ENTITLED TO AUTOMATIC INSURANCE

FEBRUARY 24 (calendar day, FEBRUARY 29), 1932.—Ordered to be printed

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

REPORT

[To accompany S. 2293]

The Committee on Finance, to whom was referred the bill (S. 2293) including dependent sisters within classes of persons entitled to automatic insurance under the war risk insurance act, having considered the same, report it back to the Senate and recommend that the bill do not pass.

PURPOSE OF THE BILL

The purpose of this bill is to extend to another class of persons, namely, dependent sisters, the right to be named beneficiaries of automatic insurance under the war risk insurance act, as amended.

STATEMENT OF FACTS

Section 401, war risk insurance act, as amended, relative to automatic insurance, provides for the following beneficiary classes: Widow, child or children, mother, father. This bill would add dependent sisters to this beneficiary class. The act of June 7, 1924, repealed the war risk insurance act, as amended, providing that its sections were to be in force in applicable cases in lieu of the repealed sections. This act did not provide for members of the service who died or became permanently and totally disabled within 120 days after entrance into the service during the World War. However, section 602 of the World War veterans' act protected accrued rights in these cases, hence automatic insurance benefits are paid to the above outlined restricted class of eligible beneficiaries.

S. 2293 would revive a special provision of the repealed war risk insurance act and would extend benefits to the new class of beneficiaries, as proposed in this bill, i. e., dependent sisters.

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

VETERANS' ADMINISTRATION,
Washington, January 4, 1932.

HON. REED SMOOT,
*Chairman Committee on Finance,
United States Senate, Washington, D. C.*

MY DEAR SENATOR SMOOT: This is in reply to your letter dated December 29, 1931, requesting a report concerning S. 2293, a bill including dependent sisters within classes of persons entitled to automatic insurance under the war risk insurance act.

The bill proposes to provide that for the purpose of payment of automatic insurance provided by section 401, war risk insurance act, as amended, dependent sisters shall be within the classes of persons to whom such insurance shall be paid.

Section 401 of the war risk insurance act, as amended, pertaining to automatic insurance, provided as follows:

"* * * Any person in the active service on or after the 6th day of April, 1917, and before the 11th day of November, 1918, who, while in such service, and before the expiration of one hundred and twenty days after October 15, 1917, or one hundred and twenty days after entrance into or employment in the active service, becomes or has become totally and permanently disabled, or dies or has died, without having applied for insurance, shall be deemed to have applied for and to have been granted insurance, payable to such person during his life in monthly installments of \$25 each; and any person inducted into the service by a local draft board after the 6th day of April, 1917, and before the 11th day of November, 1918, who, while in such service, and before being accepted and enrolled for active military or naval service, becomes or has become totally and permanently disabled, or dies or has died, without having applied for insurance, shall be deemed to have applied for, and to have been granted insurance, payable to such person during his life in monthly installments of \$25 each. If he shall die either before he shall have received any of such monthly installments or before he shall have received two hundred and forty of such monthly installments, then \$25 per month shall be paid to his widow from the time of his death and during her widowhood; or if there is no widow surviving him, then to his child or children; or if there is no child surviving him, then to his mother; or if there be no mother surviving him, then to his father, if and while they survive him: *Provided, however,* That no more than two hundred and forty of such monthly installments, including those received by such person during his total and permanent disability, shall be so paid. The amount of the monthly installments shall be apportioned between children as may be provided by regulations * * *"

A similar bill, S. 3669, introduced during the Seventy-first Congress, second session, was made the basis of a report to your committee under date of March 6, 1930.

As the committee is probably aware, the act of June 7, 1924, repealed the war risk insurance act, as amended, providing that its sections should be in force in lieu of the repealed sections where applicable. There was no section in the act of June 7, 1924, however, applicable to the so-called automatic insurance for members of the military service who died or became permanently and totally disabled within 120 days after entrance into service during the World War, the reason for the omission being obvious. After section 602 of the World War veterans' act accrued rights under the old statute were expressly saved and it is by virtue of this section that automatic insurance benefits are paid to the restricted class named in the war risk insurance act, as amended.

The enactment of this measure would be a revival of a special provision of the war risk insurance act, as amended, and the extension thereof to a new class of beneficiaries. This administration would not propose amendatory legislation of this nature. Of course, whether or not the enactment of the proposed legislation is desirable or expedient is a matter for Congress in its discretion to decide.

A copy of this letter is inclosed for your use.

Very truly yours,

FRANK T. HINES, *Administrator.*

