

Calendar No. 381

72D CONGRESS }
1st Session }

SENATE

{ REPORT
{ No. 361

TO AMEND SECTION 19 OF THE WORLD WAR VETERANS' ACT, 1924, AS AMENDED

MARCH 2, 1932.—Ordered to be printed

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

R E P O R T

[To accompany S. 1675]

The Committee on Finance, to whom was referred the bill (S. 1675) to amend section 19 of the World War veterans' act, 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

Acts of Congress have removed the statute of limitations and have allowed any suit accruing since the World War and prior to July 3, 1931, for insurance benefits, to be filed not later than July 3, 1931. The Veterans' Administration has given the opinion that all just suits or claims arising under insurance contracts for a permanent and total disability award of insurance benefits would have been filed within the period from the date of the occurrence of the disability and July 3, 1931, provided by the extensions granted heretofore.

The present law provides for the filing of a claim within six years from the date of the occurrence of the disability and the statute of limitations does not preclude the filing of such claims. It is believed the present law provides ample remedies to all claimants and that it should not be amended again to extend the statute of limitations so as to include claims that have matured more than six years from the date of occurrence.

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, Washington, D. C.

MY DEAR SENATOR: Receipt is acknowledged of your letter of December 29, 1931, with which you forwarded for report a copy of S. 1675, Seventy-second Congress, a bill to amend section 19 of the World War veterans' act.

This bill would provide that section 19 of the World War veterans' act, 1924, as amended, be further amended to 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.

