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Title 38, Parts 6, 7, 8, 8a and 9

*Insurance*

**Veterans Benefits Administration**

Supplement No. 31

Covering period of *Federal Register* issues  
through May 1, 2018

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Custom Federal Regulations Service™

## **Supplemental Materials for *Book D***

**Code of Federal Regulations**

**Title 38, Part 6, 7, 8, 8a and 9**

*Insurance*

## **Veterans Benefits Administration**

### **Supplement No. 31**

5 May 2018

Covering the period of Federal Register issues  
through May 1, 2018

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May 5, 2018**

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## HIGHLIGHTS

### Book D, Supplement No. 31 May 5, 2018

**Note:** Where substantive changes are made in the text of regulations, the paragraphs of *Highlights* sections are cited at the end of the relevant section of text. Thus, if you are reading §3.263, you will see a note at the end of that section which reads: “Supplement *Highlights* references—6(2).” This means that paragraph 2 of the *Highlights* section in Supplement No. 6 contains information about the changes made in §3.263. By keeping and filing the *Highlights* sections, you will have a reference source explaining all substantive changes in the text of the regulations.

**Supplement frequency:** This Book D (*Insurance*) was originally supplemented twice a year, in April and October. Beginning 1 August 1995, supplements will be issued *every month* during which a final rule addition or modification is made to the parts of Title 38 covered by this book. Supplements will be numbered consecutively as issued.

### Modifications in this supplement include the following:

1. On 27 April 2018, the VA published a final rule, effective 29 May 2018, to amend its regulations governing the Service-Disabled Veterans' Insurance (S-DVI) program in order to explain that a person who was granted S-DVI as of the date of death is not eligible for supplemental S-DVI because the insured's total disability did not begin after the date of the insured's application for insurance and while the insurance was in force under premium-paying conditions. Change:

- Added §8.34.

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**Authority:** 38 U.S.C. 501, 1901–1929, 1981–1988,  
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Reserved

(g) If the policy lapses due to non-payment of the premium, does the policyholder nonetheless have a choice of receiving the cash value or paid-up insurance? Yes, the policyholder will have that choice, along with the option to reinstate the policy (see §8.10 for reinstatement of a policy). However, if a policyholder does not make a selection, VA will apply the cash value to purchase paid-up insurance. Paid-up insurance may be surrendered for cash at any time.

(h) *If a policyholder elects to receive either the cash surrender or paid-up insurance due to lapse or voluntary cancellation of a term-capped policy, may the original term-capped policy be reinstated?* Yes, the term-capped policy may be reinstated but the policyholder, in addition to meeting the reinstatement requirements of term policies, must also pay the current reserve value of the reinstated policy. (Authority: 38 U.S.C. 1906)

[65 FR 54799, Sept. 11, 2000. Redesignated at 67 FR 54739, Aug. 26, 2002]

**Supplement *Highlights* references:** 14(1), 16(1).

Reserved

**8.34-1** §8.34— Ineligibility for insurance under 38 U.S.C. 1922A (supplemental Service-Disabled Veterans' Insurance) if person insured under 38 U.S.C. 1922(b).

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**§8.34 Ineligibility for insurance under 38 U.S.C. 1922A (supplemental Service-Disabled Veterans' Insurance) if person insured under 38 U.S.C. 1922(b).**

A person who is granted Service-Disabled Veterans' Insurance under 38 U.S.C. 1922(b) is not eligible for supplemental Service-Disabled Veterans' Insurance under 38 U.S.C. 1922A.

[83 FR 18422, Apr. 27, 2018]

**Supplement *Highlights* reference:** 31(1).

*End of Part 8*

*Next part in this Book D is Part 8a*

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**8.34-2**

Reserved