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**This is supplemental material  
for Book D of your set of  
Federal Regulations**

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

*Insurance*

**Veterans Benefits Administration**

Supplement No. 32

Covering period of *Federal Register* issues  
through January 1, 2019

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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. 32**

5 January 2019

Covering the period of Federal Register issues  
through January 1, 2019

When **Book D** was originally prepared, it was current through final regulations published in the *Federal Register* of 28 April 1992. These supplemental materials are designed to keep your regulations up to date. You should file the attached pages immediately, and record the fact that you did so on the *Supplement Filing Record* which begins on page D-8 of Book D, *Adjudication*.

**To ensure accuracy and timeliness of your materials,  
it is important that you follow these simple procedures:**

1. Always file your supplemental materials immediately upon receipt.
2. Before filing, always check the Supplement Filing Record (page D-8) to be sure that all prior supplements have been filed. If you are missing any supplements, contact the Veterans Benefits Administration at the address listed on page D-2.
3. After filing, enter the relevant information on the Supplement Filing Record sheet (page D-8)—the date filed, name/initials of filer, and date through which the *Federal Register* is covered.
4. If as a result of a failure to file, or an undelivered supplement, you have more than one supplement to file at a time, be certain to file them in chronological order, lower number first.
5. Always retain the filing instructions (simply insert them at the back of the book) as a backup record of filing and for reference in case of a filing error.
6. Be certain that you *permanently discard* any pages indicated for removal in the filing instructions in order to avoid confusion later.

To execute the filing instructions, simply remove *and throw away* the pages listed under *Remove These Old Pages*, and replace them in each case with the corresponding pages from this supplement listed under *Add These New Pages*. Occasionally new pages will be added without removal of any old material (reflecting new regulations), and occasionally old pages will be removed without addition of any new material (reflecting rescinded regulations)—in these cases the word *None* will appear in the appropriate column.

<b>FILING INSTRUCTIONS</b>
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**Book D, Supplement No. 32  
January 5, 2019**

*Remove these  
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*Section(s)  
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all prior supplements have been filed**

9.2-1 to 9.2-2

9.2-1 to 9.2-2

§9.2

**Be sure to complete the  
*Supplement Filing Record* (page D-8)  
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## HIGHLIGHTS

### **Book D, Supplement No. 32 January 5, 2019**

**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 21 December 2018, the VA published a final rule, effective 22 January 2019, to finalize the amendment of its Veterans' Group Life Insurance (VGLI) regulations to establish a permanent regulatory framework for elections of increased coverage. The final rule clarifies that coverage increases in an amount less than \$25,000 are available only when existing VGLI coverage is within \$25,000 of the Servicemembers' Group Life Insurance maximum of \$400,000, and any increases of less than \$25,000 must be only in an amount that would bring the insurance coverage up to the statutory maximum. Change:

- In §9.2, added paragraph (b)(5).

**§9.2 Effective date; Applications.**

(a) The effective date of Servicemembers' Group Life Insurance will be in accordance with provisions set forth in 38 U.S.C. 1967.

(b) The effective date of Veterans' Group Life Insurance will be as follows:

(1) For members whose Servicemembers' Group Life Insurance coverage ceases under 38 U.S.C. 1968 (a)(1)(A) and 38 U.S.C. 1968(a)(4), the effective date shall be the 121st day after termination of duty. An application and the initial premium must be received by the administrative office within 120 days following termination of duty or separation or release from such assignment.

(2) For members whose Servicemembers' Group Life Insurance coverage was extended because of total disability, the effective date shall be the day following the end of the 2-year period of extended coverage or the day following the end of the total disability, whichever is the earlier date, but in no event before the 121st day following termination of duty. An application and the initial Veterans' Group Life Insurance premium must be received by the administrative office within 1 year following termination of SGLI coverage.

(3) For members who qualify for coverage under 38 U.S.C. 1967(b), the effective date shall be the 121st day after termination of duty. An application, the initial premium, and proof of disability must be received by the administrative office within 120 days following termination of duty.

(4) For members of the Individual Ready Reserve or the Inactive National Guard, the effective date shall be the date an application and the initial premium are received by the administrative office. The application and initial premium must be received by the administrative office within 120 days of becoming a member of either organization. (Authority: 38 U.S.C. 1977(e))

(5) Pursuant to 38 U.S.C. 1977(a)(3), former members under the age of 60 can elect to increase their Veterans' Group Life Insurance coverage by \$25,000, up to the existing Servicemembers' Group Life Insurance maximum. The insured's first opportunity to elect to increase coverage is on the one-year Veterans' Group Life Insurance coverage anniversary date. Thereafter, the insured could elect to increase coverage on the five-year anniversary date of the first VGLI coverage increase election opportunity and subsequently every five years from the anniversary date of the insured's last VGLI coverage increase election opportunity. Increases of less than \$25,000 are only available when existing Veterans' Group Life Insurance coverage is within less than \$25,000 of the Servicemembers' Group Life Insurance maximum and any increases of less than \$25,000 must be only in the amount needed to bring the insurance coverage up to the statutory maximum allowable amount of Servicemembers' Group Life Insurance. The eligible former members must apply for the increased coverage through the administrative office, within 120 days of invitation prior to the initial one-year anniversary date or within 120 days prior to each subsequent five-year coverage anniversary date from the first VGLI coverage increase election opportunity. The increased coverage will be effective from the anniversary date immediately following the election.

(c) If either an application or the initial premium has not been received by the administrative office within the time limits set forth above, Servicemembers' Group Life Insurance or Veterans' Group Life Insurance coverage may still be granted if an application, the initial premium, and evidence of insurability are received by the administrative office within 1 year and 120 days following termination of duty.

(d) The effective date for Servicemembers' Group Life Insurance or Veterans' Group Life Insurance in any case not otherwise covered under this section or under 38 U.S.C. 1967(a) shall be the date an application and the initial premium are received by the administrative office.

(e) For purposes of this section, an application, an initial premium, and any evidence necessary to effect Servicemembers' Group Life Insurance or Veterans' Group Life Insurance coverage will be considered to have been received by the administrative office if:

- (1) They are properly addressed to the administrative office, and
- (2) The proper postage is affixed, and
- (3) They are legibly postmarked within the time limit required for receipt by the administrative office.

[40 FR 4135, Jan. 28, 1975, as amended at 48 FR 8070, Feb. 25, 1983; 53 FR 17698, May 18, 1988; 61 FR 20135, May 6, 1996; 62 FR 35970, July 3, 1997; 79 FR 44299, July 31, 2014; 83 FR 65528, Dec. 21, 2018]

**Supplement *Highlights* references:** 8(1), 10(1), 27(1), 32(1).