**Table of Contents**

**Chapter 16. Total Disability Income Provision**

**(NSLI To Include VRI/VSLI)**

|  |  |
| --- | --- |
| **Subsection** | **Name** |
| 16.01 | General |
| 16.02 | Amount |
| 16.03 | Effective Date of Issue |
| 16.04 | Age |
| 16.05 | Benefits |
| 16.06 | Premium Rates |
| 16.07 | Requirements for Adding and Exchanging TDIP |
| 16.08 | Termination of TDIP |
| 16.09 | Grace Period |
| 16.10 | Reduction and TDIP |
| 16.11 | Change of Plan and TDIP |

**16.01 GENERAL**

1. Total disability, as referred to in connection with an NSLI total disability income provision, is any impairment of mind or body which continuously renders it impossible for the insured to follow any substantially gainful occupation. An insured who became totally disabled receives a monthly income, and payment of premiums is waived on the TDIP as well as on the insurance policy to which it is attached. The TDIP rider contains no occupational restrictions or travel limitations.

1. Without prejudice to any other cause of disability, the permanent loss of the use of both feet, or both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or one hand one eye, or the total loss of hearing of both ears, or the organic loss of speech, shall be deemed to be statutory total disability for NSLI purposes. Also, if an award on TDIP has been continuously in force for 20 or more years it shall not be terminated except upon a showing that the total disability determination was based on fraud.
2. When the TDIP has been added and later it is determined that the insured was totally disabled before the effective date of the provision, the TDIP is incontestable, except where fraud is involved. However, no monthly disability benefits can be paid thereunder because of total disability commencing before the date of application or the effective date of the provision. In such case, the insured may continue the TDIP in force if he so desires, by payment of the necessary premiums, as protection against any new total disability that may occur. However, recovery must be made from the existing total disability. The insured will be advised that it is his/her privilege to request that the TDIP be canceled, as of the effective date of the provision and the premiums refunded.
3. TDIP cannot be added to an RH insurance policy. Also, TDIP may not be added to an NSLI policy under extended term insurance or reduced paid-up insurance.

1. When an insurance policy with a TDIP rider is surrendered for reduced paid-up insurance, the TDIP may be continued on the reduced paid up insurance. The TDIP must be in multiples of $500, but not less than $ 1,000 and the amount of the rider shall be the highest multiple of $500 that does not exceed the amount of the reduced paid-up insurance. If the amount of insurance on a reduced paid-up policy is less than $1,000, the TDIP rider may riot be carried over from the parent policy. The basic premium for the TDIP rider on a reduced paid-up NSLI policy, per $ 1,000 of protection, will be the same as for the rider on the parent policy.
2. To have been eligible for TDIP, the applicant must have been in good health for insurance purposes. Good health requirements were not waived even though the disability is service-connected. However, prior to January 1, 1950, when it was determined an applicant for NSLI TDIP was in good health except for a service-connected disability, a special $5 age 60 TDIP was issued. These riders were identified with the letters "HD" The premium for this disability coverage was credited directly to the NSLI appropriation and all HD TDIP claims were paid from that appropriation. All other $5 age 60 TDIP riders were identified with the letters "ND". Prior to October 28, 1948, protection ceased on all $5 age 60 TDIP riders on the insured's 60th birthday. On and after that date the protection ceased as of the anniversary date nearest the insured's 60th birthday.
3. Insurance that was surrendered after April 24, 1951, and before January 1, 1957, could have been reinstated or replaced without proof of good health, if all other requirements were met. If a $5 age 60 TDIP rider was in force on the date the insurance was surrendered, it could have been reinstated or replaced without proof of good health. (38 U.S.C. 1981)
4. Application for an NSLI $10 age 65 TDIP rider must have been submitted before the insured's 55th birthday. Prior to January 1, 1966, the application must have been submitted before the insured's 60th birthday.
5. NSLI policyholders who had a $5 or $10 age 60 TDIP rider were required to surrender it if they applied for and were issued the $10 age 65 TDIP. If they preferred, they could have kept the $5 or $10 age 60 TDIP, even upon conversion to a permanent plan. All $5 age 60 TDIP riders (ND) where the insurance age was 41 or over, and $5 age 60 TDIP riders (HD), for all ages, could have been exchanged for a $10 age 65 rider before the insured's 55th birthday upon submission of a full medical examination and meeting all other requirements. If good health requirements were met, a standard rider was issued to replace the "HD" rider. Where the insurance age was under 41, the $5 age 60 TDIP rider "ND" could have been exchanged for the $10 age 65 TDIP rider by submitting a nonmedical application. The $10 age 60 TDIP could have been exchanged for a $10 age 65 TDIP without evidence of good health unless the applicant was totally disabled.

**16.02 AMOUNT**

Life TDIP was issued in multiples of $500, but not less than $1,000, nor more than the amount of insurance to which it was attached. However, in certain instances an odd amount of TDIP was continued in force. This happened when the amount of insurance and TDIP were reduced to the exact amount paid for on a date of birth and age correction. TDIP may not be continued in force for less than $ 1,000.

**16.03 EFFECTIVE DATE OF ISSUE**

The effective date of the TDIP was:

1. The same date the policy became effective, if the policy and TDIP were applied for at the same time, and all requirements were met. The effective date of the TDIP could not be more than 31 days from the date of the physical examination report or health statement.
2. The last prior premium due date, if the policy was dated back or had been previously issued, and all requirements were met; except that when application was sent to VA on a premium due date, the TDIP was effective as of that date.
3. Prior to January 1, 1965, the TDIP effective date segment of the master records on the term plan was changed to the 1965 policy anniversary date. In addition, the TDIP age was changed to show the age on the birthday nearest the 1965 policy anniversary. The effective date and age on these policies is not changed on subsequent renewals.

**16.04 AGE**

1. Permanent Plan
2. When application for TDIP was made at the same time as for the insurance or subsequent to the effective date of the insurance policy, the TDIP premium rate was based on the insured's age on his or her birthday nearest the effective date of the TDIP.
3. Term Insurance
4. When TDIP was added to a term policy on a date other than the last renewal date, the TDIP premium rate was based on the insured's age at renewal. At the next renewal, the age for the TDIP was the same as the insurance age. The $10 age 65 TDIP rates on term insurance after age 55 are the same as TDIP rates on Ordinary Life.

**16.05 BENEFITS**

1. $5 Age 60 TDIP-This provision was available from August 1, 1946 to November 1, 1958, with exception of those insureds with service-incurred injury or disability who had only until January 1, 1950 to apply. The latter were classified as HD riders. The provision provides a monthly income of $5 for each $ 1,000 of insurance in force, as long as the insured is totally disabled, provided total disability began before the insured's 60th birthday or the anniversary date of the policy nearest the 60th birthday, whichever is later, and the insured remains so disabled for at least 6 consecutive months. The 6-month period could extend beyond the insured's 60th birthday or the anniversary date of the policy nearest the 60th birthday, whichever was later.
2. $10 Age 60 TDIP-This provision was available from November 1, 1958, to January 1, 1965. It provides a monthly income of $10 for each $1,000 of insurance in force, as long as the insured is totally disabled, if total disability began before his or her 60th birthday and continued for at least 6 consecutive months. The 6-month period could extend beyond the 60th birthday.
3. $10 Age 65 TDIP-This provision became effective January 1, 1965. It provides a monthly income of $10 for each $1,000 of insurance in force, as long as the insured is totally disabled, if the total disability began before his or her 65th birthday and continued for at least 6 consecutive months. The 6-month period could extend beyond the 65th birthday.
4. Monthly Payments-The monthly income payments described above began with the first day of the 7th consecutive month of continuous total disability and continue for as long as the insured remains totally disabled. These monthly payments do not reduce the face amount of the policy.
5. Waiver of Premiums-Payment of premiums on this provision will be waived during continuous total disability beginning with the first monthly premium due after the start of disability. Premiums paid to cover a period during which the waiver is effective will be refunded in cash, without interest.

**16.06 PREMIUM RATES**

1. TDIP premium rates on term riders will be obtained from the Actuarial Staff.
2. Premiums for $5 age 60 TDIP (HD) riders will be furnished by the Actuarial Staff.

**16.07 REQUIREMENTS FOR ADDING AND EXCHANGING TDIP**

1. Applications for TDIP should have been made on forms prescribed by the VA, whenever possible. However, any statement in writing over the signature of the insured giving the essential information, together with evidence of good health, was considered as a qualifying application. The prescribed forms were:
2. VA Form 29-1606, Application for Total Disability Income Provision (Medical), for all NSLI applicants age 41 (more than 6 months after their 40th birthday) and over for the $10 age 65 rider. This form was also used by an applicant age 41 and over for exchange of a $5 age 60 ND rider and for exchange of a $5 age 60 HD rider, regardless of age, for the $10 age 65 TDlP and by all applicants for USGLI TDIP.
3. VA form 29-1606a, Application for Total Disability Income Provision (Nonmedical) for NSLI applicants age 40 within 6 months after their 40th birthday and under. This form was also used by an applicant age 40 and under to exchange a $5 age 60 ND rider for the $10 age 65 TDIP. A medical examination would not be required for these insureds unless there was a medical history, or a condition existed which was questionable for disability insurance purposes.
4. VA Form 29-467a, Application for Exchange of Total Disability Income Provision, for those NSLI policyholders who wanted to exchange their $10 age 60 TDIP for the $10 age 65 TDIP. No evidence of good health was required but the applicant could not have been totally disabled and the exchange must have been made before his 55th birthday.
5. Premiums. Payment of the first monthly premium for the TDIP must have accompanied the application, or have been of record.

**16.08 TERMINATION OF TDIP**

1. The protection afforded by TDIP will cease under any of the following conditions:
2. Insured attains age specified in rider and is not totally disabled.
3. Basic insurance policy lapses.
4. TDIP rider lapses.
5. Cancellation of TDIP rider requested by insured.
6. The effective date of change for the cancellation will be the due date of the premium for the premium month in which the request was submitted, if the total disability income provision premium for that month has not been paid. If total disability income provision premium for that month has been paid, the effective date of change will be the next premium due date.
7. Total disability income provision premiums paid and earned prior to the effective date of change for the cancellation are not subject to refund.
8. Cancellation of basic insurance with no cash value requested by insured.
9. Policy matures as an endowment and insured is not totally disabled.
10. Policy surrendered for cash or extended insurance.
11. Policy surrendered for paid-up insurance of less than $1,000
12. Death of insured.
13. VA makes a determination of fraud by the insured in the application for the insurance or the TDIP.

**16.09 GRACE PERIOD**

Upon termination of a TDIP award the insured will be allowed a grace period of 31 days from the due date of the first premium payable after such termination or 31 days from the date of notice mailed to the insured's last address of record, advising him of the termination of the award and the amount and due date of the first premium payable, whichever is the later date. If the premiums are not paid within the 31 days, the insurance policy and the TDIP shall lapse in accordance with the terms and conditions of the policy and the provision. The notice sent to the insured shall be by registered mail. The failure of the insured to furnish a correct current address where mail will reach him or her promptly shall not be grounds for an extension of time.

**16.10 REDUCTION AND TDIP**

1. When a policy with TDIP is reduced in amount, the effective date and age on the TDIP will not change.
2. The amount of the TDIP premium will be at the same rate as that on the original contract and will be adjusted in proportion to the amount of insurance continued.

**16.11 CHANGE OF PLAN AND TDIP**

1. When a permanent plan with TDIP is changed to another plan, the effective date of the rider will not be changed. In most cases, there will be an adjustment in TDIP premiums from the effective date of the rider to the date of change. This adjustment must be paid when the change is made. Thereafter, the rider will have a new premium.
2. After limited-payment life contracts become paid-up by payment of all the required premiums, the insured may change the plan to a higher or lower reserve plan, provided all other requirements are met. Also, if the paid-up limited-payment life policy had a TDIP attached which was also paid-up when the plan was changed, the TDIP will be continued on the new plan as a fully paid-up rider.