#### Department of Veterans Affairs M29-1, Part 1, Chapter 23

**Veterans Benefits Administration August 15, 2019**

**Washington, DC 20420**

#### Key Changes

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| Changes Included in This Revision | The table below describes the changes included in this revision of Veterans Benefits Insurance Manual M29-1, Part 1, Chapter 23.  ***Notes***:   * **M29-1, Part 1, Chapter 23** has been rewritten in its entirety for the purpose of improving clarity and readability. Any substantive changes are itemized in the table below. * Minor editorial changes have also been made to * improve clarity and readability * add references * update incorrect or obsolete references * update obsolete terminology, where appropriate * reorganize/relocate content within **M29-1, Part 1, Chapter 23** so that it flows more logically * reassign alphabetical designations to individual blocks, where necessary, to account for new and/or deleted blocks within a topic * update the labels of individual blocks and the titles of sections and topics to more accurately reflect their content, and * bring the document into conformance with M29-1 standards. |

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| Reason(s) for Notable Change | Citation |
| Clarifies the legal restriction requiring a minimum of $1000 of insurance in multiples of $500 does apply to reductions in insurance coverage, but not to paid up additional insurance (PUA). | Subchapter 23.01 |
| Explains the circumstances under which the reserve value of insurance discontinued by the insured may be used to purchase extended insurance protection; explains how the extended insurance value is calculated in each of these circumstances | Subchapter 23.02 |
| Clarifies that if the insurance is lapsed and under extended insurance, a premium payment will be required for any amount necessary to reinstate coverage under a premium-paying basis | Subchapter 23.03 |
| Eliminates language regarding permanent plans in force under a waiver from 38 USC 1924 as no longer applicable to the insurance programs | Subchapter 23.03 |
| Eliminates language regarding the Total Disability Income Provision (TDIP) rider as no longer applicable to the insurance programs | Subchapter 23.04 |
| Clarifies that the reserve value on the surrendered amount of a permanent plan must be in force for at least three months but less than one year to be automatically applied to purchase extended term insurance | Subchapter 23.04 |
| Clarifies that if a loan is divided as part of a contract being divided, the loan amount will be apportioned between the new and old contract | Subchapter 23.04 |
| Eliminates language referring to allotment from service pay as a method of premium payment as no longer applicable to the insurance programs | Subchapter 23.05 |
| Eliminates language referring to the addition of TDIP to an insurance policy along with a reduction as no longer applicable to the insurance programs | Subchapter 23.06 |
| Adds language explaining that the insured’s beneficiary and option designation will be checked for clarity prior to any reduction or division action being taken on the policy, and that the insured will be notified if clarification is needed | Subchapter 23.11 |

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| **Reason(s) for Change** | **Citation** |
| Eliminates the note regarding the lack of reserve values prior to August 2, 1948 as no longer applicable to insurance programs | Subchapter 23.02 |
| Clarifies that an insured only needs to submit a signed request for an insurance reduction that states the amount of insurance to be retained, for the request to be accepted as a valid application; eliminates the requirement for use of VA Form 29-339 | Subchapter 23.03 |
| Clarifies that a request for a policy division must be signed by either the insured or his guardian/fiduciary and include the required premium | Subchapter 23.04 |
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| Rescissions | None |

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| Authority | By Direction of the Under Secretary for Benefits |

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| Signature | Vincent E. Markey, Director  Insurance Service |

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