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**CHAPTER 25. MISCELLANEOUS UNDERWRITING ACTIONS**

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**25.01 GENERAL**

a. A consolidation is the issue of one contract to combine insurance issued in two or more contracts of the same policy prefix (V, RH, RS, etc.) The contracts to be consolidated must have the same effective date, age, and plan of insurance.

b. Upon consolidation of two or more contracts, a new policy for the consolidated contract will be issued. The old policies need not be returned.

**25.02 REQUIREMENTS**

a. Lapsed contracts must be reinstated prior to consolidation.

b. Term contracts may not be consolidated if one or more of the accounts involved have been reinstated with skip months in the current dividend year.

c. Non-participating term contracts may be consolidated even though skip months are involved.

d. Permanent plan contracts may be consolidated even though reinstatement has been involved.

e. The request for consolidation must be over the signature of the insured, or the appointed guardian/fiduciary and the required premium, if any, should accompany the request.

**25.03 EFFECTIVE DATE OF CHANGE**

The effective date of change for consolidation will be the effective date of the contracts being consolidated.

**25.04 NUMBER OF CONSOLIDATED CONTRACT**

The file number of the consolidated contract will be the lowest file number. The policy numbers of all contracts will be retained under the lowest file number unless consolidated into one policy, and then the lowest policy number will be the consolidated policy number.

**25.05 BENEFICIARY AND OPTIONAL SETTLEMENT DESIGNATION**

Before the insured is notified of the action taken, the beneficiary and optional settlement designation will be checked to see if they are in order. Where clarification is necessary, VA Form 29-336, Designation of Beneficiary and Optional Settlement, will be sent to the insured for completion.

**25.06 GENERAL**

1. Restoration of the insurance will be taken by the Policyholder Services Division when VA Form 29-808 (Decision of Insurance Claims Division) is received from the Insurance Claims Division requesting revival because the effective date of the waiver of premiums is:
2. On or before the date of lapse, or
3. Within the 31-day grace period, or
4. Within 61 days of the due date of the unpaid premium, provided the policy has been in force for 5 years or more prior to the date of lapse.
5. Restoration Will Be Taken:
6. When part of a term contract was allowed to lapse at the time of reduction or conversion, or
7. When insurance protection was discontinued because the Veteran stated that it was no longer desired, or
8. If part of a permanent plan contract in force less than 3 months was allowed to lapse at the time of reduction, and
9. The insurance is within 61 days of the due date of the unpaid premium, provided the policy has been in force for 5 years or more prior to the date of lapse.
10. If the retained portion of the insurance was continued on the same plan, restoration will be accomplished by increasing the amount of insurance under the existing policy number to the amount of the contract at the time of reduction.
11. When the retained insurance was converted to a permanent plan, it will be necessary to have a new number in the same prefix series assigned, in order to restore the lapsed term insurance. Lapsed or discontinued term insurance must be restored to a term policy before any subsequent conversion action can be requested.

**25.07 EFFECTIVE DATE**

The insurance and/or TDIP will be restored effective as of the date of lapse. If the disability provision was attached when the insurance lapsed, it will be restored at the same time as the insurance.

**25.08 BENEFICIARY AND OPTIONAL SETTLEMENT DESIGNATION**

1. Before the insured is notified of the action taken, the beneficiary and optional settlement designation will be checked to see if they are in order. Where clarification is necessary, VA Form 29-336, Designation of Beneficiary and Optional Settlement, will be sent to the insured for completion.
2. An incompetent Veteran will not be contacted concerning a beneficiary designation.

**25.09 GENERAL**

1. There is no legal or regulatory authority that permits a change in a properly established effective date of an insurance contract. However, an effective date may be changed when one of the following situations exists:
2. If the effective date was incorrectly established by VA at the time of issue or conversion, and evidence shows that provision was made for payment of the proper premium and/or reserve from the effective date claimed to be correct.
3. Upon receipt of satisfactory evidence that at the time of original issue or conversion the insured was not granted the requested effective date, as long as the previously requested effective date is acceptable and all other requirements are met.
4. The effective date of change will be the same as the corrected effective date established for the insurance contract.

**25.10 GENERAL**

1. Where two or more insurance records have been established for the same person, the records will be combined.
2. The order of precedence is V (including RS, RH, J, and K). When an RH application is approved and there is an active J or K record, the record will be combined by the Live Claims Section under the RH number which becomes the file number.
3. Where the records show that there is or was, more than $10,000 any necessary adjustment must be made during the lifetime of insured.