**Table of Contents**

**CHAPTER 14. RH Insurance**

|  |  |
| --- | --- |
| **Subsection** | **Name** |
| 14.01 | General |
| 14.02 | Eligibility |
| 14.03 | Definition of Types of Duty in Military Service |
| 14.04 | Requirements |
| 14.05 | Effective Date |
| 14.06 | Amount of Insurance |
| 14.07 | Statutory Disability Insurance |
| 14.08 | Deleted |
| 14.09 | Terms and Conditions of Insurance Contracts Issued Under 38 U.S.C. 1922(a) |
| 14.10 | Beneficiary and Option Elections |
| 14.11 | Continuing Waiver of Premiums Under 38 U.S.C. 1912 on Insurance Previously Issued or Evidence Indicates Possible Entitlement to Waiver of Premiums but no Request for Waiver is of Record |
| 14.12 | Issue of Endowment Plan - Applicant Totally Disabled |
| 14.13 | Notification to Veteran of Possible Eligibility for S-DVI |
| 14.14 | Supplemental Service-Disabled Veterans’ Insurance (38 U.S.C 1922A) |

14.01 GENERAL (38 U.S.C. 1922)

1. Service Disabled Veterans’ Insurance (RH) is available to persons released from active duty with the military service on or after April 25, 1951, under other than dishonorable conditions, with service-connected disability or disabilities for which compensation would be payable if 10 percent or more in degree.
2. The applicant must submit an application for the insurance, together with satisfactory proof of his or her insurability, except for service-connected disability(ies), according to the standards of good health established by the Secretary.
3. Service-connected disability(ies) even though evaluated at less than 10 percent (including zero percent), will not make the applicant ineligible if all other requirements are met. The exceptions to this rule are:
4. Service-connected disability for a dental condition that was made for a dental claim is not qualifying since such ratings are always less than 10 percent and no compensation is payable. Ratings pertaining to injury which involve dentures are based on the injury and are not considered as dental ratings.
5. Service-connected disabilities for conditions that cannot be rated at greater than zero percent.
6. Under 38 U.S.C. 1702, any Veteran who develops an active psychosis within 2 years after his or her discharge or release from military service during or immediately following a period in which the United States is engaged in combat will be granted service-connected disability. This disability makes the Veteran eligible for hospital and medical care only. The Veteran is not eligible for RH insurance on this rating alone.

14.02 ELIGIBILITY

1. Registrants under the Selective Service Act of 1948, as amended, and persons provisionally accepted for active duty on or after June 27, 1950, who were ordered to report to a designated place for induction into the active service and who incurred a disability while enroute to this place, are eligible to apply for RH insurance notwithstanding that, even if the disability exceeded 10 percent, no compensation would be payable. Application for the insurance must be filed by such persons within 2 years after the incurrence of disability under these conditions. See 38 USC 106.
2. Commissioned officers of the Public Health Service who are deemed to be in the active military service under the provisions of Public Law 881, 84th Congress (but not entitled to protection under the Servicemen's indemnity Act of 1951, as amended) are considered to have been in the active service on or after July 4,1952, and prior to January 1, 1957, for the purpose of applying for RH insurance if they were separated during that period and file application for insurance on or after January 1, 1957.
3. Commissioned officers of NOAA (National Oceanic and Atmospheric Administration), or its predecessor, the Coast and Geodetic Survey, who are deemed to be in the active military service under the provisions of Public Law 881, 84th Congress (but not entitled to protection under the Servicemen's indemnity Act of 1951, as amended), are considered to have been in the active service on or after July 29, 1954, and prior to January 1, 1957, for the purpose of applying for RH insurance if they were separated on or after April 25, 1951, and prior to January 1, 1957, and file application for insurance on or after January 1, 1957.
4. The term “active military, naval, or air service” includes— (A)active duty; (B)any period of active duty for training during which the individual concerned was disabled or died from a disease or injury incurred or aggravated in line of duty; and (C)any period of inactive duty training during which the individual concerned was disabled or died— (i)from an injury incurred or aggravated in line of duty; or (ii)from an acute myocardial infarction, a cardiac arrest, or a cerebrovascular accident occurring during such training. Any person in “active military, naval, or air service” who is subsequently rated as service-connected, is eligible to apply for RH insurance.
5. Since discharge under other than dishonorable conditions is a requirement for eligibility under 38 U.S.C. 1922 usually any application received indicating a dishonorable discharge will be immediately disapproved and the applicant advised as to the reason. When the applicant did not receive a dishonorable discharge, but was discharged under dishonorable conditions, the insurance will not be granted. However, when a Veteran has received a dishonorable discharge for his or her last period of service but had prior service that terminated after April 25, 1951, under other than dishonorable conditions and the disability occurred during that period, eligibility for RH insurance may be established for that period of service. The determination of the rating board will be accepted by the Insurance Center unless it is obvious that a clear and unmistakable error has been made or new evidence is introduced. In either of these events, the matter should be brought to the attention of the appropriate Rating Activity.
6. Forfeiture of compensation benefits for fraud will not be a bar to issuance of RH insurance to an otherwise qualified applicant.

14.03 DEFINITION OF TYPES OF DUTY IN MILITARY SERVICE

1. "Active duty" means:
2. Full-time duty performed by a member of a uniformed service in the active military or naval service, other than active duty for training.
3. Full-time duty as a commissioned officer in [NOAA (National Oceanic and Atmospheric Administration) or its,] the Coast and Geodetic Survey, or in the Regular Corps of the Public Health Service, or in the Predecessor Reserve Corps of the Public Health Service (other than for training purposes).
4. Service as a cadet at the United States Military, Air Force, or Coast Guard Academy, or as a midshipman at the United States Naval Academy.
5. Authorized travel to or from such duty or service.
6. "Active duty for training" means:
7. Full-time duty performed by a member of a Reserve component of a uniformed service in the active military or naval service of the United States for training programs.
8. Full-time duty as a commissioned officer in the Reserve Corps of the Public Health Service for training purposes.
9. Annual training duty performed for a period of 14 days or more by a member of the Reserve Officers' Training Corps, the Naval Reserve Officers' Training Corps, or the Air Force Reserve Officers' Training Corps.
10. Authorized travel to or from such duty. The term does not include duty performed as a temporary member of the Coast Guard Reserve.
11. "Inactive duty training" means any of the training, instructions, duty, appropriate duties, or equivalent training, instruction, duty, appropriate duties, or hazardous duty, performed with or without compensation by a member of a Reserve component of a uniformed service, prescribed by the appropriate secretary pursuant to section 501 of the Career Compensation Act of 1949, or any other provision of law. The term does not include:
12. Work or study performed by a member of a Reserve component of a uniformed service in connection with correspondence courses at the Army, Navy, Air Force, Marine Corps, Coast Guard, or Public Health Service.
13. Attendance at an educational institution in an inactive status under the sponsorship of the Army, Navy, Air Force, Marine Corps, Coast Guard, or Public Health Service.
14. Duty performed as a temporary member of the Coast Guard Reserve.
15. On and after January 1, 1957, as defined in section 102 of Public Law 881, 84th Congress, a "member of a uniformed service" is a person appointed, enlisted, or inducted in a component of the Army, Navy, Air Force, Marine Corps, or Coast Guard (including a Reserve component of a uniformed service), or in one of these services without specification of component, or as a commissioned officer of NOAA (National Oceanic and Atmospheric Administration) or its Predecessor, the Coast and Geodetic Survey, or the Regular or Reserve Corps of the Public Health Service, and any person serving in the Army or Air Force under call or conscription. The term includes the following:
16. A retired member of any of these services.
17. A member of the Fleet Reserve or Fleet Marine Corps Reserve.
18. A cadet at the United States Military Academy, the United States Coast Guard Academy, the United States Air Force Academy, or a midshipman at the United States Naval Academy.
19. A member of the Reserve Officers' Training Corps, or the Air Force Reserve Officers' Training Corps, when ordered to annual training duty for 14 days or more, and while performing authorized travel to and from that duty.
20. Any person, while enroute to or from, or at, a place for final acceptance or for entry upon active duty in military or naval service, who has been provisionally accepted for such duty or who, under the Universal Military Training and Service Act, has been selected for active military or naval service and has been ordered or directed to proceed to such place.
21. The term does not include a temporary member of the Coast Guard Reserve.
22. The term "Reserve component of a uniformed service" includes the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air Force Reserve, the Coast Guard Reserve, the Reserve Corps of the Public Health Service, the National Guard of the United States, and the Air National Guard of the United States. A member of the National Guard or the Air National Guard of the several States, Territories, or the District of Columbia, when performing training or duty under sections 92,94,97,99, or 113 of the National Defense Act of June 3, 1916, as amended, shall, for the purpose of benefits provided by Public Law 881, 84th Congress, be considered a member of a Reserve component of a uniformed service, and training or duty performed by a member under these sections of the act shall be considered "active duty for training or inactive duty training" as appropriate.

14.04 REQUIREMENTS

1. Applications
2. Application for S-DVI should be made, whenever practicable, on VA Form 29-4364 or 29-0151, Application for Service-Disabled Veterans’ Insurance (RH).
3. The application must be signed by the applicant and submitted before the expiration of the statutory time limit, which is two years from the date of notification by VA (award letter) initially granting service connection for a disability. If the application is received more than 2-years after this date, it will be disapproved and the Veteran so advised. Veterans with ratings dated prior to September 1, 1991 had one year, rather than the current two years, from the date of the rating to apply.
4. If a copy of the award letter, or the award letter date is not available in VA systems, the date will be determined by adding 3 days from the date of the rating decision in VA systems.
5. If the final date of the 2-year period falls on a Saturday, Sunday or legal holiday, the 2-year period is extended to include the next workday.
6. If an applicant is shown to have been mentally incompetent during any part of the 2-year period, application for S-DVI may be filed within two years after the appointment of a legal guardian (including VA fiduciary) or within 2 years after the date of the rating removing the incompetency, whichever is the earlier date. The application must be signed by the legal guardian or VA appointed fiduciary. If the legal guardian is discharged during the 2-year period and later a new legal guardian is appointed, the new legal guardian will have 2-year from the date of the appointment to file the application. In cases of a mentally incompetent Veteran, VA will verify the current VA Fiduciary or Legal Guardianship through VA Systems during processing.

***NOTE****: If a legal guardian has been appointed and the Veteran signs the application, the legal guardian must sign also.*

1. An application for waiver of premiums will be accepted as an informal application for S-DVI in the following situations:
2. The Veteran does not have any S-DVI coverage in force and has not completed 29-4364 or 29-0151, or
3. The insured has S-DVI coverage inforce in an amount less than the legislative maximum.
4. The Veteran /insured will be allowed no more than 31 days from the date VA Insurance notifies them that additional requirements are necessary to submit the required information/application.
5. If a Servicemember meets all the eligibility requirements based on a prior period of service, they may apply for S-DVI immediately. In contrast, if a Servicemember receives a pre-separation VA disability rating, and submits an application for S-DVI, the application will be disapproved, and they will be advised to wait until they are separated, and VA approves a rating decision for a new service-connected disability to reapply.
6. When an application for S-DVI is submitted and VA determines that the Veteran does not have a service-connected disability, the application will be disapproved. If the decision as to service connection is subsequently reversed, the Veteran must file a new application. The Veteran 's rights and eligibility to apply commences with the date of notification of the first rating which grants service connection, after discharge from the last period of active service.
7. If the rating agency reverses the decision as to service connection after death the case will be reviewed by the Insurance Claims Division to determine if insurance may be issued under Gratuitous S-DVI (ARH). Unless the Veteran meets the criteria for ARH (See M29-1, Part 1, Chapter 15), no insurance can be issued after death.
8. When an application for S-DVI is submitted and Veteran is timely based on his/her last new rating, but has a pending rating for a condition that may impact insurability, the following actions should be taken:
9. Pending diary for future action should be set, and
10. Letter to the applicant should be released explaining that the S-DVI application decision will be made once the rating activity makes a determination on service connection for the pending issue.
11. VA Insurance will use available VA systems to determine eligibility criteria are met. This includes: date of separation, character of service, timeliness, and insurability. Additionally, Live Claims staff should follow Standard Operating Procedures for underwriting non-service-connected conditions.
12. Monetary Requirements.
13. An amount sufficient to cover at least the initial monthly premium should be submitted with the application prior to a policy being eligible for approval.
14. If the Veteran indicates on the application that he or she is receiving VA compensation and requests to have a deduction established, VA will verify that the amount insufficient to pay the insurance premiums, this will be accepted in lieu of the initial premium.
15. If the Veteran indicates on the application that he or she is receiving military retirement pay and requests to have a deduction established, VA will verify that the amount is sufficient to pay the insurance premiums, this will be accepted in lieu of the initial premium.
16. If the Veteran submits an online application and elects to pay directly, VA Insurance will send out a development letter on applications that are approvable for the initial premium payment.
17. If the Veteran indicates on the application that he is she wants to pay the premiums by deduction from his/her checking account, a development letter will be sent to the Veteran asking him/her to send the first month’s premium payment and to complete and return VA Form 29-0165, VA MATIC Enrollment/Change.
18. Where the applicant does not state the plan desired, term insurance may be issued.
19. When no remittance is tendered or the shortage is more than 10 percent of a monthly premium, the applicant will be asked to submit the amount of shortage. If the Veteran does not submit the necessary monies by the requested due date, the application will be denied.
20. The Veteran may request waiver of premium on the S-DVI application or submit VA Form 29-357 Claim for Disability Insurance Benefits in lieu of the initial premium.
21. Waiver of premiums may be granted on the insurance pursuant to the provisions of 38 U.S.C. 1912 and such waiver may not be denied on the grounds that the service-connected disability became total prior to the effective date of the insurance or that the insurance is not in force for six months under premium paying conditions.

14.05 EFFECTIVE DATE

1. Generally, S-DVI will be made effective on the date all requirements are met. This means the submission of both application, evidence, and money. If within the time limits set by law a Veteran submits an application, then later the premium or requested evidence, the insurance will be effective as follows:
2. If the money or evidence is received during the same month of the postmark date of the application, the effective date will be the original application postmark date.
3. If the money or evidence is received during the month after the postmark date of the application, the effective date will be the 1st of that month.
4. 38 U.S.C. 1922(a) establishes a definite time limit for submitting an application. If the applicant submits an incomplete application or does not remit the premium for the insurance within the established time period, he or she will be allowed 31 days to furnish supplemental information or 15 days to remit the premium. In such cases, the effective date of the insurance is the date of the incomplete application and not the date the supplemental information or money is received. The effective date of an S-DVI policy cannot be later than the last day in the eligibility period. A health certification is not needed for the supplemental information. If the insured fails to respond to the request for supplemental information or premium by the required due dates, the application will be denied.
5. The effective date may not be prior to the date of discharge if all other requirements are met.
6. When an application and the required premium for insurance are submitted to VA within the 2-year eligibility period, the effective date of the insurance may be established as follows:
7. The postmark date of the application. When a postmark date is not available, it will be the date of signature.
8. The date of submission of application listed on the electronic application.

14.06 AMOUNT OF INSURANCE

Application for S-DVI insurance must be made in multiples of $500 and not less than $ 1,000; however, it is not permissible for a person to carry Government Life Insurance (either NSLI, USGLI, or both) in excess of $10,000 at any one time. The amount of paid-up additions purchased from dividends, Supplemental S-DVI, Veterans’ Mortgage Life Insurance, Servicemembers’ Group Life Insurance and Veterans' Group Life Insurance is not considered in the $10,000 maximum. In order to determine that the statutory coverage limit will not be exceeded based on existing coverage in force, the following must be included:

1. The face amount of any Government Life Insurance contract in force under premium-paying conditions including waiver of premiums under 38 USC 1912.
2. The face amount of any Government Life insurance contract providing protection under the extended insurance provision.
3. The paid-up amount of any Government Life Insurance excluding the amount purchased by dividends for paid-up addition.
4. An applicant may be issued up to $10,000 of S-DVI insurance even though he or she is receiving installment payments on a matured endowment policy.
5. An RH policy may be issued notwithstanding the applicant is receiving payments from maturity of a USGLI policy based on total permanent disability. The amount of insurance on the RH policy is limited to the nearest multiple of $500 in the difference between $10,000 and the commuted value of the USGLI insurance which would have been available to the insured on the effective date of the RH policy had he or she recovered from the total permanent disability at that time. This method of computation will provide assurance that the $10,000 statutory maximum is not exceeded in regard to life insurance coverage.

14.07 STATUTORY DISABILITY INSURANCE

1. If a Veteran meets all eligibility requirements and has a statutory disability rating under 38 U.S.C. 1914, documented in VA systems, and has been totally disabled prior to age 65, the following rules apply:
2. A $10,000 20-Payment Life insurance policy minus the amount of any existing NSLI/USGLI in force, excluding any paid-up additions will be issued, provided the 20-year period does not exceed the age of maturity. In such cases, an Ordinary Life policy will be issued.
3. If a Veteran meets all eligibility requirements and has a statutory disability rating under 38 U.S.C. 1914, documented in VA systems, and was not totally disabled prior to age 65, they can be approved for S-DVI, but cannot obtain waiver of premiums.
4. If a Veteran meets all eligibility requirements and is determined to be totally disabled for insurance purposes, the following rules apply:
5. In lieu of the plan and amount of insurance applied for, a $10,000 20-Payment Life policy (minus the amount of any existing NSLI/USGLI in force), will be issued, provided the 20-year period does not exceed the age of maturity. In such cases, an Ordinary Life policy will be issued.
6. Waiver of premiums is granted effective as of the effective date of insurance (the 6-month waiting period does not apply). The policy, and a detailed letter explaining the action that was taken and the reason for it, are mailed to the insured.

14.08 (DELETED)

14.09 TERMS AND CONDITIONS OF INSURANCE CONTRACTS ISSUED UNDER 38 U.S.C. 1922(a)

Insurance granted under the provisions of 38 U.S.C. 1922(a) is issued under the same terms and conditions as are contained in the standard policies of NSLI, except as follows:

1. The premium rates and all cash, loan, paid-up, and extended insurance values shall be based on the Commissioners 1941 Standard Ordinary Tables of Mortality with interest at the rate of 2.25 percent per annum.
2. All settlements on policies involving annuities shall be calculated on the basis of the Annuity Table for 1949 with interest at the rate of 2.25 percent per annum.
3. Insurance granted under the provisions of this section shall be on a non-participating basis and all premiums and other collections shall be credited directly to a separate fund in the Treasury of the United States, to be known as the Service-Disabled Veterans' Insurance Fund (RH Fund).
4. The total disability income provision is not available under SDVI, See 38 U.S.C. 1915.

14.10 BENEFICIARY AND OPTION ELECTIONS

The regular rules for beneficiary and option elections apply to S-DVI, except when a legal guardian files an application for S-DVI insurance on behalf of an incompetent Veteran, the beneficiary will always be the estate of the insured. If any other beneficiary is named by the legal guardian, he or she will be advised that it is not acceptable, and the estate of the insured will be the beneficiary.

14.11 CONTINUING WAIVER OF PREMIUMS UNDER 38 U.S.C. 1912 ON INSURANCE PREVIOUSLY ISSUED OR EVIDENCE INDICATES POSSIBLE ENTITLEMENT TO WAIVER OF PREMIUMS BUT NO REQUEST FOR WAIVER IS OF RECORD

When an application for S-DVI is approved and the records indicate a continuing waiver of premiums under 38 U.S.C. 1912 on insurance previously issued, or the medical evidence of record indicates possible entitlement to waiver of premiums but no claim for waiver has been received, the Insurance Claims Section will review all available evidence, including evidence in VA systems and/or additional evidence requested from the insured, to make a determination on waiver of premiums.

14.12 ISSUE OF ENDOWMENT PLAN-APPLICANT TOTALLY DISABLED

1. An endowment plan will not be issued to an applicant who is totally disabled on the date he or she applies for the insurance.
2. If, within 30 days of the original effective date, it is found that S-DVI was issued on an endowment plan through administrative error, or otherwise, not involving fraud on the part of the insured, while he or she was totally disabled, Live Claims will contact the Veteran and inform him/her of the error and the new plan of insurance that is being issued based on the Veteran’s age.

***NOTE****: Generally, a 20-Payment Life plan will be issued; however, if the premium payment period would exceed the age of maturity, the insured should be issued an Ordinary Life plan.*

1. If an insured was approved for an endowment plan and was not totally disabled at time of issue, but later becomes totally disabled and eligible for waiver of premiums, the insured will be allowed to maintain the endowment plan.

14.13 NOTIFICATION TO VETERAN OF POSSIBLE ELIGIBILITY FOR S-DVI

1. VA systems automatically release VA Form 29-0151, Application for S-DVI, upon determination of a new VA rating for service connection.
2. VA Form 29-4364, Application for S-DVI, is available on VA Insurance’s website or upon request in paper form from the Insurance Center.
3. If the Veteran is rated incompetent by VA, the field examiner of Fiduciary Service will advise the appointed fiduciary of the availability of S-DVI if the Veteran remains eligible.

14.14 SUPPLEMENTAL SERVICE-DISABLED VETERANS’ INSURANCE (38 U.S.C 1922A)

1. An SDVI insured who is approved for a waiver of premium under 38 U.S.C. 1912 may be eligible for up to $30,000 of Supplemental S-DVI (S-SDVI).
2. Supplemental S-DVI can be issued in increments of $500, but not less $1,000, and not to exceed $30,000. S-SDVI shall be granted upon the same terms and conditions as [insurance](https://www.law.cornell.edu/definitions/uscode.php?width=840&height=800&iframe=true&def_id=38-USC-73049818-738034477&term_occur=124&term_src=title:38:part:II:chapter:19:subchapter:I:section:1922A) granted under S-DVI.
3. An S-DVI insured will be sent an application for S-SDVI (VA Form 29-0188/0189) at the time waiver of premiums is approved, as long as the insured is under age 65. The insured must apply for the insurance within the lesser of either:
4. One year from the date of notification letter granting waiver of premiums, or
5. Prior to age 65.
6. Waiver of premiums will not be granted for S-SDVI policies.