#### Department of Veterans Affairs M29-1, Part 1, Chapter 14

**Veterans Benefits Administration December 6, 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 14.  ***Notes***:   * **M29-1, Part 1, Chapter 14** 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 **M-29-1 Part 1, Chapter 14** 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 |
| Explains that service-connected disabilities for conditions that cannot be rated at greater than zero percent may render an applicant ineligible for  S-DVI coverage | Subchapter 14.01 |
| Clarifies that service members who incur a disability while traveling to their induction site or place of acceptance for entry onto active duty, may apply for S-DVI within 2 years of the disability’s occurrence, not one year due to a law change | Subchapter 14.02 |
| Clarifies the definition of active military, naval or air service for purposes of eligibility for S-DVI coverage | Subchapter 14.03 |
| Clarifies that an applicant now has two years from the date of the VA disability rating notification letter granting a new service-connected disability to apply for coverage due to a law change, and states that applicants who were rated on or before September 1, 1991 only had one year to apply for coverage | Subchapter 14.04 |
| Clarifies that the amount of coverage from other government life insurance programs, such as Servicemembers’ or Veterans’ Group Life Insurance, will not count against the statutory maximum of $10,000 | Subchapter 14.06 |
| Clarifies the circumstances under which a veteran with a statutory disability rating will qualify for S-DVI coverage, but not for premium waiver; clarifies when a 20-payment life policy, as opposed to an ordinary life policy, may be provided | Subchapter 14.07 |
| Removed entire subsection related to “Applications Submitted From Military Hospitals” as no longer applicable to program | Subchapter 14.08 |
| Clarifies that all insurance issued under S-DVI is on a non-participating basis; also clarifies that the Total Disability Income Provision (TDIP) is not available under the S-DVI program | Subchapter 14.09 |
| Clarifies that a beneficiary designation selecting other than the estate for an incompetent veteran will be made part of the veteran’s insurance records, although not accepted for processing; also eliminates language regarding statements attesting to the veteran’s capacity being accepted for changes to the beneficiary designation a no longer applicable to the insurance programs | Subchapter 14.10 |
| Explains the circumstances under which a totally disabled insured will be permitted to retain an endowment plan of insurance granted in error, and when the plan will be changed to either a 20-payment or ordinary life plan; also explains that if an insured granted an endowment plan later becomes totally disabled and eligible for waiver of premiums, the insured can retain the endowment plan | Subchapter 14.12 |

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| **Reason(s) for Change** | **Citation** |
| Eliminates language regarding the role of the rating board in determining the character of a service member’s discharge as this is now handled by Insurance employees | Subchapter 14.02 |
| Eliminates language regarding processing of possible fraud cases as already in M29-1, Part 1, Subchapter 28 | Subchapter 14.02 |
| Adds the additional S-DVI application form, 29-0151, to the forms that should be used to apply for S-DVI | Subchapter 14.04 |
| Explains how to determine the one or two-year time limit for application if the VA rating notification letter is not in VA systems or if the application is received on a weekend or holiday | Subchapter 14.04 |
| Clarifies that in the case of a mentally incompetent veteran, the legal guardian or VA fiduciary must sign the application for insurance; clarifies that VA will use its current systems to verify the appointment of a guardian or fiduciary for an incompetent veteran; | Subchapter 14.04 |
| Clarifies that if the veteran was mentally incompetent during any part of the application period, the deadline for filing an application will begin upon appointment of a legal guardian/VA fiduciary or the date the incompetency is removed | Subchapter 14.04 |
| Clarifies the circumstances under which an application for waiver of premiums will be accepted as an informal application for S-DVI coverage | Subchapter 14.04 |
| Eliminates language regarding the application process, including applicants who are on active duty or terminal or who applied prior to March 4, 1960, as no longer applicable to the insurance programs | Subchapter 14.04 |
| Clarifies that a Servicemember meeting all program requirements based on a prior period of service may apply immediately for coverage, whereas a member given a pre-separation disability rating from VA must separate from service and receive a new rating before applying for coverage | Subchapter 14.04 |
| Clarifies when the veteran’s eligibility date begins for the insurance; also clarifies the procedure that is used to determine Gratuitous S-DVI eligibility when a Veteran’s service-connected rating is reversed after death | Subchapter 14.04 |
| Eliminates language regarding procedures used prior to July 1, 1963 as no longer applicable to the insurance programs | Subchapter 14.04 |
| Explains that VA will use its current systems to verify information, and if neither VA systems nor the application provide the necessary information, VA will contact the veteran to complete the application process | Subchapter 14.04 |
| Explains how VA will process payment under the various methods by which the premium may be paid, such as by deduction from VA compensation benefits, military retired pay, from a bank account, or direct pay after applying online for coverage | Subchapter 14.04 |
| Explains that an application will be rejected if no premium is remitted by the requested due date | Subchapter 14.04 |
| Explains that an applicant may apply for waiver of premiums either through using VA form 29-357 or by requesting waiver or premiums on the S-DVI application; eliminates language regarding antedating the effective day of the policy as no longer used in the insurance programs | Subchapter 14.04 |
| Eliminates language regarding Physical Examination Reports as no longer applicable to the insurance programs | Subchapter 14.04 |
| Explains the policy effective date depends on whether the initial premium and requested medical evidence are received on or after the month the application is postmarked; if the applicant does not submit the required premium or information by the requested due date, the application will be denied | Subchapter 14.05 |
| Eliminates language stating that the effective date cannot be before the Veteran’s entry into active service as no longer applicable to the insurance programs; also eliminates language regarding application if death occurs upon day of separation as no longer applicable to the insurance programs | Subchapter 14.05 |
| Explains that an effective date can be determined by the application’s postmark date, and if none is available, then by the imaged date on an online application | Subchapter 14.05 |
| Explains that VA staff will review for waiver of premiums even in the absence of a formal application, if available evidence indicates that the veteran may be eligible for waiver | Subchapter 14.11 |
| Explains how a potentially eligible veteran is notified and may apply for S-DVI—may receive a letter released by VA systems after a new VA rating is determined; may use either paper form or online application, or VA field examiner may inform the VA fiduciary of an incompetent veteran of eligibility for the insurance | Subchapter 14.13 |
| Eliminates language on transfer of records for S-DVI between Insurance Centers as only one Insurance Center currently exists; explains the process for applying for Supplemental S-DVI after the veteran is approved for waiver of premiums on the basic S-DVI policy | Subchapter 14.14 |

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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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