#### Department of Veterans Affairs M29-1, Part 1, Chapter 3

**Veterans Benefits Administration March 29, 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 3.  ***Notes***:   * M29-1, Part 1, Chapter 3 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 3 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 what happens to cash value on permanent plans after the lapse of the policy | Subchapter 3.02 |
| Eliminates reference to the “J” series policies’ one time risk charge as no longer applicable | Subchapter 3.02 |
| Eliminates references to USGLI policies as they are no longer in force | Subchapter 3.03 |
| Deletes references to TDIP as TDIP can no longer be issued on any policy | Subchapter 3.03 |
| Explains the procedures for capping of premiums at age 70 for NSLI term policies (“V” and “RS” policies) | Subchapter 3.04 |
| Explains the procedures for reinstatement of a lapsed insurance policy | Subchapter 3.05 |
| Clarifies the conditions under which a third party may reinstate a lapsed policy and explains the fiduciary requirement for an incompetent veteran | Subchapter 3.06 |
| Explains that comparative health requirements can be processed via the telephone | Subchapter 3.08 |
| Adds note that VA may request a physical exam whenever an insured applies for reinstatement of a lapsed insurance policy | Subchapter 3.08 |
| Removes USGLI termination dividend as those policies are not in force | Subchapter 3.09 |
| Changes interest rate charges for premiums in arrears for reinstatements | Subchapter 3.09 |
| Eliminates references to “J” series policies’ flat extra premium and administrative cost as they are no longer applicable | Subchapter 3.09 |

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| **Reason(s) for Change** | **Citation** |
| Clarifies the conditions under which a policy will and will not lapse | Subchapter 3.01 |
| Explains which VA forms are to be used for reinstatement of a policy | Subchapter 3.01 |
| Removes references to indebtedness on USGLI policies as they are no longer in force | Subchapter 3.11 |
| Removes contradictory language regarding reinstatement if indebtedness exceeds the policy reserve | Subchapter 3.11 |
| Explains the effective date for reinstatement is the premium month in which the application is received and the monetary requirements are met | Subchapter 3.12 |

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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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