#### Department of Veterans Affairs M29-1, Part 6, Chapter 17

**Veterans Benefits Administration March 19, 2020**

**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 6, Chapter 17.  ***Notes***:   * **M29-1, Part 6, Chapter 17** 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 6, Chapter 17** 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 |
| Eliminates Subchapter 17.01 as historical information that is no longer applicable to the insurance programs | Subchapter 17.01 |
| Clarifies that a change in settlement option/beneficiary designation is effective upon date it is received by VA; clarifies that VA will honor a change in settlement option/beneficiary designation if insured died before forwarding it if the change is determined to be a valid one; eliminates the language regarding Public Law 70-589 as no longer applicable to the insurance programs | New Subchapter 17.01/Prior Subchapter 17.02 |
| Eliminates language regarding the 1946 amendment of Section 1916 of Title 38 as no longer applicable to the insurance programs; clarifies the four modes of settlement options available in the insurance programs; clarifies that if monthly payments would be less than $10 for a contingent beneficiary, they will be paid commuted value of the remaining unpaid installments, eliminates language regarding USGLI policies as no longer applicable to the insurance programs. | New Subchapter 17.02/Prior Subchapter 17.03 |
| Clarifies the number of option settlements—1 through 4—that can be selected by the insured in the NSLI programs; explains the circumstances under which an beneficiary can select option 1 if the insured had previously selected options 2, 3 or 4; clarifies that if an insured did not previously select a settlement option, then the beneficiary will be paid under option 1; eliminates language regarding USGLI policy options as no longer applicable to the insurance programs; clarifies that a beneficiary will be advised by mail of the settlement options available and may choose to elect another permissible option upon written request | New Subchapter 17.03/Prior Subchapter 17.04 |
| Eliminates language regarding policies that matured prior to August 1, 1946 and regarding USGLI policies as no longer applicable to the insurance programs | New Subchapter 17.04/Prior Subchapter 17.05 |
| Clarifies that date of birth discrepancies ae only relevant to payments under option 3 or 4 settlements | New Subchapter 17.05/Prior Subchapter 17.06 |
| Clarifies that a beneficiary may change their settlement option if made within one year of date of receipt and done within the limits described in Subchapter 17.03; explains that a change of settlement option will be effective upon the date received by VA if the option differs from the option originally selected by the insured; clarifies the process of how the Death Claims Section will process a request by a beneficiary to change the policy settlement option; eliminates language regarding USGLI policy options as no longer applicable to the insurance programs | New Subchapter 17.06/Prior Subchapter 17.07 |
| Explains that when a beneficiary who is entitled to receive payment under option 1 elects another option—2 through 4—they may at any time receive the present value of any remaining unpaid installments certain | New Subchapter 17.07/Prior Subchapter 17.08 |
| Explains how a beneficiary’s conditional election of option will be processed by the Insurance Claims Division and under what circumstances the other options will be available to the beneficiary | New Subchapter 17.08/Prior Subchapter 17.09 |
| Clarifies the payment tables used to determine the settlement values for options 2—5 in the NSLI program; clarifies that the Insurance Actuarial Staff must be consulted regarding option 2 interest rates due to their frequent fluctuation; eliminates language regarding gender based rates as no longer applicable | New Subchapter 17.09/Prior Subchapter 17.10 |
| Clarifies that VA Form 20-4125 pre-populates the claim form with the selection of option 1 as mode of settlement payment and that proceeds will be paid under option 1 unless the insured selected another settlement option; explains that with regard to VA Form 29-336, payment will be made based on the options listed by the insured on the most recent form he completed; language on VA Form 29-336 was altered on all forms issued after November 1965 to provide for automatic cancellation of all previous designations and options selected by the insured; explains under what circumstances the estate of a beneficiary is entitled to receive the commuted value of any remaining unpaid installments previously paid under an option other than option 1, eliminates language regarding USGLI policy options as no longer applicable to the insurance programs | New Subchapter 17.12/Prior Subchapter 17.13 |

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| **Reason(s) for Change** | **Citation** |
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| Rescissions | None |

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

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| Signature | Timothy Sirhal, Acting Director  Insurance Service |

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