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Title 38, Parts 6, 7, 8, 8a and 9

Insurance

Veterans Benefits Administration

Supplement No. 36

Covering period of *Federal Register* issues
through December 1, 2020

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GENERAL INSTRUCTIONS

Custom Federal Regulations Service™

Supplemental Materials for *Book D*

**Code of Federal Regulations
Title 38, Part 6, 7, 8, 8a and 9**

Insurance

Veterans Benefits Administration

Supplement No. 36

5 December 2020

Covering the period of Federal Register issues
through December 1, 2020

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FILING INSTRUCTIONS

Book D, Supplement No. 36
December 5, 2020

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HIGHLIGHTS

Book D, Supplement No. 36 December 5, 2020

Note: Where substantive changes are made in the text of regulations, the paragraphs of *Highlights* sections are cited at the end of the relevant section of text. Thus, if you are reading §3.263, you will see a note at the end of that section which reads: “Supplement *Highlights* references—6(2).” This means that paragraph 2 of the *Highlights* section in Supplement No. 6 contains information about the changes made in §3.263. By keeping and filing the *Highlights* sections, you will have a reference source explaining all substantive changes in the text of the regulations.

Supplement frequency: This Book D (*Insurance*) was originally supplemented twice a year, in April and October. Beginning 1 August 1995, supplements will be issued *every month* during which a final rule addition or modification is made to the parts of Title 38 covered by this book. Supplements will be numbered consecutively as issued.

Modifications in this supplement include the following:

1. On 27 November 2020, the VA published a final rule, effective 28 December 2020, to amend its regulations governing Servicemembers' Group Life Insurance (SGLI) and Family Servicemembers' Group Life Insurance (FSGLI) to allow a SGLI-covered member (member) who marries another SGLI-eligible member (member spouse) after January 1, 2013, or a member whose spouse becomes a member spouse after January 1, 2013, to receive FSGLI coverage on a member spouse at the maximum statutory amount or a lesser amount, or to increase existing FSGLI coverage on a member spouse. A member married to a member may elect or increase FSGLI coverage for a member spouse, without a requirement to show good health, within 240 days of: The member's marriage to another member, the member's spouse entering service, or the member's spouse separating from service. If a member does not elect or increase FSGLI coverage within this 240-day “no health” period, then the member can still receive or increase FSGLI coverage by applying for such coverage and submitting proof of the member spouse's good health. The final rulemaking also states that FSGLI coverage that is in force at the time a spouse or child enters service will continue and the member is not required to elect or reapply for such coverage. Additionally, VA is making a technical amendment to the amendatory language. Changes:

- In §9.2, added paragraph (g),
- Added §9.24.

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Reserved

Part 9

Servicemembers' Group Life Insurance and Veterans' Group Life Insurance

Authority: 38 U.S.C. 501, 1965–1980A, unless otherwise noted.

Source: 40 FR 4135, Jan. 28, 1975, as amended at 61 FR 20134, unless otherwise noted.

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§9.2 Effective date; Applications.

(a) The effective date of Servicemembers' Group Life Insurance will be in accordance with provisions set forth in 38 U.S.C. 1967.

(b) The effective date of Veterans' Group Life Insurance will be as follows:

(1) For members whose Servicemembers' Group Life Insurance coverage ceases under 38 U.S.C. 1968 (a)(1)(A) and 38 U.S.C. 1968(a)(4), the effective date shall be the 121st day after termination of duty. An application and the initial premium must be received by the administrative office within 120 days following termination of duty or separation or release from such assignment.

(2) For members whose Servicemembers' Group Life Insurance coverage was extended because of total disability, the effective date shall be the day following the end of the 2-year period of extended coverage or the day following the end of the total disability, whichever is the earlier date, but in no event before the 121st day following termination of duty. An application and the initial Veterans' Group Life Insurance premium must be received by the administrative office within 1 year following termination of SGLI coverage.

(3) For members who qualify for coverage under 38 U.S.C. 1967(b), the effective date shall be the 121st day after termination of duty. An application, the initial premium, and proof of disability must be received by the administrative office within 120 days following termination of duty.

(4) For members of the Individual Ready Reserve or the Inactive National Guard, the effective date shall be the date an application and the initial premium are received by the administrative office. The application and initial premium must be received by the administrative office within 120 days of becoming a member of either organization. (Authority: 38 U.S.C. 1977(e))

(c) If either an application or the initial premium has not been received by the administrative office within the time limits set forth above, Servicemembers' Group Life Insurance or Veterans' Group Life Insurance coverage may still be granted if an application, the initial premium, and evidence of insurability are received by the administrative office within 1 year and 120 days following termination of duty.

(d) The effective date for Servicemembers' Group Life Insurance or Veterans' Group Life Insurance in any case not otherwise covered under this section or under 38 U.S.C. 1967(a) shall be the date an application and the initial premium are received by the administrative office.

(e) For purposes of this section, an application, an initial premium, and any evidence necessary to effect Servicemembers' Group Life Insurance or Veterans' Group Life Insurance coverage will be considered to have been received by the administrative office if:

(1) They are properly addressed to the administrative office, and

(2) The proper postage is affixed, and

(3) They are legibly postmarked within the time limit required for receipt by the administrative office.

(f)

(1) If an application, initial premium, or evidence of insurability (as the case may be) has not been received by the administrative office within the time limits set forth in paragraph (c) of this section, Veterans' Group Life Insurance coverage may still be granted if an application, the initial premium, and evidence of insurability are received by the administrative office within 1 year and 210 days following termination of duty, except that evidence of insurability is not required during the initial 330 days following termination of duty.

(2) Paragraph (f)(1) of this section shall not apply to an application or initial premium received after June 11, 2021.

(g) Except as provided in §9.24, the effective date of enrollment, re-enrollment, or an increase in coverage under 38 U.S.C. 1967(a)(1) shall be the date the uniformed service receives an application and proof of the insurable spouse's good health:

(1) For an insurable spouse who was eligible for coverage under 38 U.S.C. 1967(a)(1)(A)(ii) or (C)(ii) but was not so insured or was insured at a reduced rate and who became a member; and

(2) For a member-spouse covered under 38 U.S.C. 1967(a)(1)(A)(i) and who was also eligible for coverage under 38 U.S.C. 1967(a)(1)(A)(ii) or (C)(ii) but who was not so insured or was insured at a reduced amount by reason of an election made by a member.

[40 FR 4135, Jan. 28, 1975, as amended at 48 FR 8070, Feb. 25, 1983; 53 FR 17698, May 18, 1988; 61 FR 20135, May 6, 1996; 62 FR 35970, July 3, 1997; 79 FR 44299, July 31, 2014; 85 FR 35563, June 11, 2020; 85 FR 75859, Nov. 27, 2020]

Supplement *Highlights* references: 8(1), 10(1), 27(1), 35(1), 36(1).

§9.22 Submission of certain applications and forms affecting entitlement to Servicemembers' Group Life Insurance and Veterans' Group Life Insurance.

(a) (1) For purposes of this section, the terms in *writing* and *written* mean an intentional recording of words in visual form and include:

(i) Hard-copy applications and forms containing a person's name or mark written or made by that person; and

(ii) Applications and forms submitted through a VA approved electronic means that include an electronic or digital signature that identifies and authenticates a particular person as the source of the electronic message and indicates such person's approval of the information submitted through such means.

(2) With regard to the following actions, applications or forms that satisfy the definition in paragraph (a)(1) of this section will be deemed to satisfy the requirement in the referenced statutes that an application, election, or beneficiary designation be “in writing” or “written”:

(i) Decline Servicemembers' Group Life Insurance for the member or Family Servicemembers' Group Life Insurance for the member's insurable spouse (38 U.S.C. 1967(a)(2)(A) or (B));

(ii) Insure the member under Servicemembers' Group Life Insurance or the member's spouse under Family Servicemembers' Group Life Insurance in an amount less than the maximum amount of such insurance (38 U.S.C. 1967(a)(3)(B));

(iii) Restore or increase coverage under Servicemembers' Group Life Insurance for the member or under Family Servicemembers' Group Life Insurance for the member's insurable spouse (38 U.S.C. 1967(c));

(iv) Designate one or more beneficiaries for the member's Servicemembers' Group Life Insurance or former member's Veterans' Group Life Insurance (38 U.S.C. 1970(a)); and

(v) Increase the amount of coverage under Veterans' Group Life Insurance (38 U.S.C. 1977(a)(3)).

(b) Applications or forms that satisfy the definition in paragraph (a)(1) of this section may be utilized to--

(1) Apply for Veterans' Group Life Insurance; and

(2) Reinstate Veterans' Group Life Insurance.

[83 FR 10623, March 12, 2018]

Supplement *Highlights* reference: 30(1).

[Reserved]

§9.24 Insurable dependents who become eligible members, and eligible members who marry eligible members.

(a) A Servicemembers' Group Life Insurance-covered member (member) who marries another Servicemembers' Group Life Insurance eligible member (member spouse) after January 1, 2013, or is married to a person who becomes a Servicemembers' Group Life Insurance eligible member after January 1, 2013, shall receive Family Servicemembers' Group Life Insurance spousal coverage at the statutory maximum amount or a lesser amount, or receive increased existing spousal coverage on their member spouse, upon an election of such coverage if made within 240 days following the member's marriage to another member, or the member's spouse entering service, without having to provide proof of the member spouse's good health. If a member does not elect coverage for a member spouse within 240 days following the member's marriage to another member, or the member's spouse entering service, then the member may still receive spousal coverage at the statutory maximum amount or a lesser amount, or increase existing spousal coverage, by applying and submitting proof of the member spouse's good health.

(b) A spouse shall remain eligible to be covered by any existing Family Servicemembers' Group Life Insurance spousal coverage without the member electing such coverage or applying for such coverage with proof of the member spouse's good health in a case where the spouse is enrolled in coverage under 38 U.S.C. 1967(a)(1)(A)(ii) or (C)(ii) prior to becoming a member married to another member.

(c) A member's spouse who was insured under the member's Family Servicemembers' Group Life Insurance at the time the spouse separates from service will continue to be covered under the spousal Family Servicemembers' Group Life Insurance carried while in service, and the member will not need to elect such coverage. If a member seeks to enroll a former member spouse who did not have such spousal insurance coverage when the former member spouse separates from service, or seeks to increase existing spousal coverage on their former member spouse, the member shall receive such spousal coverage on their former member spouse, upon an election of such coverage if made within 240 days following the former member spouse's separation from service, without having to provide proof of the former member spouse's good health. If a member does not elect coverage for a former member spouse within 240 days following the former member spouse's separation from service, then the member may still receive spousal coverage at the statutory maximum amount or a lesser amount, or increase existing spousal coverage, by applying and submitting proof of the former member spouse's good health.

(d) After January 1, 2013, an insurable child who is a member at the time a parent's Servicemembers' Group Life Insurance coverage commences is not eligible for automatic dependent coverage under 38 U.S.C. 1967(a)(1)(A)(ii) or (C)(ii). Dependent coverage in effect for an insurable child prior to becoming a member shall remain in effect so long as the child remains an insurable dependent. If an insurable child was not covered prior to becoming a member, the child cannot be covered under 38 U.S.C. 1967(a)(1)(A)(ii) or (C)(ii) after the child becomes a member.

[85 FR 75859, Nov. 27, 2020]

Supplement *Highlights* reference: 36(1).

End of Part 9