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SENATE COMMITTEE PRINT

**NATIONAL SERVICE LIFE INSURANCE ACT, 1940**  
**WITH AMENDMENTS THROUGH AUGUST 1, 1946**  
**AND APPENDIX**

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**EXCERPT**

**FROM**

**SECOND REVENUE ACT OF 1940**

Public, No. 801, 76th Congress

(Approved October 8, 1940, 11 P. M.)



Printed for the use of the Committee on Finance

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## TITLE VI—NATIONAL SERVICE LIFE INSURANCE

### Part I—National Service Life Insurance

SEC. 601. When used in this part—

(a) The term "person" means (1) a commissioned officer; (2) a warrant officer; (3) enlisted personnel (including persons selected for training and service under the Selective Training and Service Act of 1940); (4) a member of the Army Nurse Corps (female); and (5) a member of the Navy Nurse Corps (female);

(b) The term "Administrator" means the Administrator of Veterans' Affairs;

(c) The term "active service" means active service in the land or naval forces (including the Coast Guard) of the United States and service in the land or naval forces of the United States under the Selective Training and Service Act of 1940, but the service of any person ordered to active duty in any such force for a period of thirty days or less, shall not be deemed to be active service in such force during such period;<sup>1</sup>

(d) The term "insurance" mean National Service Life Insurance;

(e) The term "child" includes an adopted child.

(f) The terms "parent", "father", and "mother" include a father, mother, father through adoption, mother through adoption, persons who have stood in loco parentis to a member of the military or naval forces at any time prior to entry into active service for a period of not less than one year, and a stepparent, if designated as beneficiary by the insured.<sup>2</sup>

Act of Oct. 8, 1940, as amended, July 11, 1942.

Added by sec. 7 Public, No. 607, 77th Cong., July 11, 1942, as amended by sec. 1 of Public, No. 589, 79th Cong., Aug. 1, 1946.

<sup>1</sup> Attendance of cadets and midshipmen at Academy during World War II is active services under sec. 10, Public, No. 144, 78th Cong., July 13, 1943.

<sup>2</sup> Sec. 14 of Public, No. 100, 79th Cong., approved October 6, 1945, authorized enlistment of Philippine Scouts. Title II, Public, No. 301, 79th Cong., approved May 27, 1946, limited National Service Life Insurance to contracts of insurance heretofore entered into. (See appendix.)

<sup>3</sup> Title II of Public, No. 301, 79th Cong., approved February 18, 1946, provided that service in the organized military forces of the Government of the Commonwealth of the Philippines shall not be deemed service in the military forces of the United States except as to National Service Life Insurance contracts heretofore entered into. (See appendix.)

<sup>4</sup> (f) as above printed is preceded in sec. 1 (a) of Public, No. 589, 79th Cong., by the following: "That (a) section 601 (f) of the National Service Life Insurance Act of 1940 is hereby amended effective as of October 8, 1940, to read as follows:"

<sup>5</sup> Sec. 1 (b) of Public, No. 589, 79th Cong., reads: "(b) The amendment made by subsection (a) of this section to section 601 (f) of the National Service Life Insurance Act of 1940, as amended, shall not be construed

Act of Oct. 8, 1940, as amended, Aug. 18, 1941; Dec. 20, 1941; Feb. 11, 1942; July 11, 1942; Oct. 17, 1942, and Apr. 12, 1943.

**SEC. 602. (a)** Every person who is commissioned and hereafter ordered into, or who is hereafter examined, accepted, and enrolled in, the active service and while in such active service shall, upon application in writing (made within one hundred and twenty days after entrance into such active service) and payment of premiums as hereinafter provided and without further medical examination, be granted insurance on the five-year level premium term plan by the United States against the death of such person occurring while such insurance is in force.<sup>1</sup>

Act of Oct. 8, 1940.

**(b)** Any person who is released from active service within one hundred and twenty days after such enrollment shall be granted such insurance upon application therefor in writing (made within one hundred and twenty days after a subsequent enrollment or entrance into active service and before discharge or resignation therefrom), and upon payment of premiums and evidence satisfactory to the Administrator showing such person to be in good health at the time of such application.

Act of Oct. 8, 1940.

**(c) (1)** Any person upon reenlistment or reentrance into or reemployment in active service and before discharge or resignation therefrom and any person in the active service upon discharge to accept a commission and before resignation therefrom, shall be granted such insurance upon application therefor in writing (made within one hundred and twenty days following such reenlistment, reentrance, reemployment, or discharge to accept a commission), and upon payment of premiums and evidence satisfactory to the Administrator showing such person to be in good health at the time of such application.

Added by sec. 2, Public, No. 539, 79th Cong., Aug. 1, 1946.

**(2)** Subject to the provisions of the first proviso under the caption "Transfer of Appropriations" contained in title II of the First Supplemental Surplus Appropriation Rescission Act, 1946 (Public Law 301, Seventy-ninth Congress), any individual who has had active service between October 8, 1940, and September 2, 1945, both dates inclusive, shall be granted such insurance upon application therefor in writing and upon payment or authorization for deduction of premiums and evidence

(1) to require the discontinuance, for any period prior to the first day of the third calendar month following receipt of claim by or on behalf of a person brought within the permitted class of beneficiaries by such amendment, of any insurance award made prior to the date of enactment of this Act, or (2) to require duplicate payments of benefits in any case."

<sup>1</sup> Sec. 3, Public, No. 213, 77th Cong., August 18, 1941: Any person whose period of active military service or training and service is extended under section 2 and who was (a) ordered to active Federal service Under Public Resolution Numbered 90, Seventy-sixth Congress, or (b) inducted under the Selective Training and Service Act of 1940, as amended, prior to the enactment of this Act, shall, notwithstanding the limitation in section 602 (a) of the National Service Life Insurance Act of 1940 upon the time within which application for National Service Life Insurance may be made, be granted insurance under such section without further medical examination if application therefor is filed within one hundred and twenty days after the date of enactment of this Act.

satisfactory to the Administrator showing such person to be in good health at the time of such application. In any case in which application for life or disability insurance or for reinstatement of such insurance is made prior to January 1, 1950, the Administrator shall not deny, for the purposes of this or any other section of this part, that the applicant is in good health because of any disability or disabilities, less than total in degree, resulting from or aggravated by such active service. In any case in which insurance is granted by reason of the immediately preceding sentence, the premiums paid on such insurance shall be credited directly to the national service life-insurance appropriation and any payments of benefits on such insurance shall be made directly from such appropriation. The maximum amount of insurance for which an individual is otherwise eligible to apply under this paragraph shall be decreased by the amount of any insurance which he may have surrendered for its cash-surrender value.

(3) Any person in the active service between October 8, 1940, and September 2, 1945, both dates inclusive, who, while in such service, made application in writing for insurance while performing full military or naval duty, which application was denied solely on account of his condition of health, and the applicant thereafter shall have incurred a total and permanent disability in line of duty or died in line of duty, shall be deemed to have applied for and to have been granted such insurance as of the date of such application and such insurance shall be deemed to be or to have been continued in force to the date of death of such person. In any case in which insurance deemed to have been granted under this paragraph matures or has matured, there shall be deducted from the proceeds of such insurance the premiums payable thereon from the date of application to the date of incurrence of total and permanent disability in line of duty or to the date of death, if permanent and total disability was not incurred. Any payments on such insurance shall be made directly from the national service life insurance appropriation. The amount of insurance deemed to have been granted under this paragraph, when added to any other insurance in force under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or this part, shall not in the aggregate exceed \$10,000.<sup>1</sup>

(d) (1) Any person in the active service and while in such service shall be granted such insurance without medical examination and without medical-history statement upon application therefor in writing (made within one hundred and twenty days after the date of enactment

Added by sec. 2,  
Public. No. 589,  
79th Cong.,  
Aug. 1, 1946.

Sec. 10 to Pub-  
lic. No. 360,  
77th Cong., act  
of Dec. 20,  
1941, as  
amended, July  
11, 1942; Oct.  
17, 1942; and  
Apr. 12, 1943.

<sup>1</sup> These subsections (c) (1), (2), and (3) are preceded by the following: "Sec. 2. Section 602 (c) of the National Service Life Insurance Act of 1940 is hereby amended effective as of October 8, 1940, to read as follows:"

of this amendatory Act) upon payment of the premiums: *Provided*, That after the expiration of such one-hundred-and-twenty-day period any such person may be granted national service life insurance at any time upon application, payment of premiums, and evidence satisfactory to the Administrator showing him to be in good health.

(2) Any person in the active service on or after October 8, 1940, who, while in such service and before the expiration of one hundred and twenty days after the date of enactment of this amendatory Act, dies or has died in line of duty (including death resulting from disease or injury incurred in line of duty), without having in force at the time of such death insurance under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or this Act, in the aggregate amount of at least \$5,000, shall be deemed to have applied for and to have been granted insurance as of the date of entry into active service or October 8, 1940, whichever is later, in the sum of \$5,000 payable as provided in section 602 (h), except that payments hereunder shall be made only to the following beneficiaries and in the order named—

(A) to the widow or widower of the insured, if living and while unremarried;

(B) if no widow or widower entitled thereto, to the child or children of the insured, if living, in equal shares;

(C) if no widow or widower entitled thereto, or child, to the dependent mother or father of the insured, if living, in equal shares:

*Provided*, That if such person serving as a flying cadet or aviation student, Navy or Army, between October 8, 1940, and June 3, 1941, the date of approval of Public Law Numbered 97 and Public Law Numbered 99, Seventy-seventh Congress, and died as the result of an aviation accident incurred in line of duty while in such active service, such person shall be deemed to have applied for and to have been granted an aggregate amount of insurance of not less than \$10,000. Any additional insurance granted by virtue of this proviso shall be payable in the manner provided by this section.

(3) (A) Any person in the active service who on or after October 8, 1940, and prior to April 20, 1942, becomes totally disabled as a result of injury or disease incurred in line of duty and such disability continues without interruption for a period of six months or until death intervening prior to the end of such six months' period without having in force at time of incurrance of such disability at least \$5,000 insurance issued under the War Risk Insurance Act, as amended, or the World War Veterans' Act, 1924, as amended, or this Act, shall be deemed to have applied for and to have been granted, effective as of the commencement of such total disability

As amended by  
Public, No. 74B  
77th Cong.,  
Oct. 17, 1942.

As amended by  
sec. 1, Public  
No. 667, 77th  
Cong., July 11,  
1942; and by  
sec. 2, Public,  
No. 452, 78th  
Cong., Sept. 30,  
1944.

national service life insurance in an amount which together with any such insurance then in force shall aggregate \$5,000 and such gratuitous insurance shall continue in force without payment of premiums until six months after the insured ceases to be totally disabled or until one year after the date of enactment of this amendatory Act, whichever is the earlier date.

*Provided*, That such protection shall cease and terminate unless within such period such disabled person shall make application in writing for continuance of all or any part of such insurance and shall submit evidence satisfactory to the Administrator of entitlement to waiver of premiums under section 602 (n) of this Act or tender the premiums thereafter becoming due: *Provided further*, That waiver of premiums under section 602 (n) shall not be denied under this subsection on the ground that total disability commenced prior to the effective date of such insurance: *And provided further*, That anyone who applied for and was issued insurance after becoming totally disabled, and but for such application would be entitled to insurance hereunder, shall have the right, upon application within the time and in the manner as above limited, to elect to surrender insurance applied for and to be issued insurance hereunder, or if such insurance shall have lapsed without election, such person shall be considered subject in all respects to the provisions of this subsection, as hereby amended, but policies issued hereunder shall be effective from date of surrender or lapse of policy previously issued. (Effective December 20, 1941.)

(B) Any person in the active service who on or after December 7, 1941, and prior to April 20, 1942, has been or shall be captured, besieged, or otherwise isolated by the forces of an enemy of the United States for a period of at least thirty consecutive days and extending beyond April 19, 1942, and at the time of such capture, siege, or isolation by the enemy did not have in force insurance in the aggregate amount of at least \$5,000 under the War Risk Insurance Act, as amended, the World War Veterans' Act, as amended, or this Act, shall be deemed to have applied for and to have been granted, effective as of the date of such capture, siege, or isolation, national service life insurance in an amount which together with any such insurance then in force shall aggregate \$5,000 of insurance, and such insurance shall remain in force and premiums on such insurance shall be waived during the period while such person remains so captured, besieged, or isolated, and for six months thereafter: *Provided*, That such protection shall cease and terminate at the end of such period of six months unless within such period such person shall make application in writing for the continuance of all or any part of such insurance and shall submit evidence satisfactory to the Ad-

ministrator of entitlement to waiver of premiums under section 602 (n) of this Act, or tender the premiums thereafter becoming due. (Effective December 20, 1941.)

Sec. 10, Public, No. 860, 77th Cong., Dec. 20, 1941.

(4) The benefits and privileges extended by this section are hereby so extended by the Congress because many of the personnel of our armed forces (1) were unable to comply with the prerequisites necessary to the granting of insurance by reason of extended duty in the North Atlantic, Hawaii, the Philippines, and other outlying bases; (2) had failed or neglected to apply for such insurance in the expectation that their service would be peacetime service only; and (3) by reason of the suddenness with which war was thrust upon us, had not sufficient time to apply for such insurance prior to engaging in combat. The Congress hereby declares that no further relief of such character will be granted.

See footnote 1.

Added by sec. 2, Public, No. 667, 77th Cong., July 11, 1942, and as amended by sec. 4, Public, No. 462, 78th Cong., Sept. 30, 1944.

(5) If any person deemed to have been issued insurance under subsection (3) (A) or (B) hereof die without filing application and within the time limited therefor, death insurance benefits shall be payable in the manner and to the persons as stated in subsection (2): *Provided*, That no application for insurance payments under subsections (2) or (3) as hereby amended, shall be valid unless filed in the Veterans' Administration within five years after the date of death of the insured and the relationship and dependency of the applicant, where required as a basis for such claim, shall be proved as of date of death of insured by evidence satisfactory to the Administrator: *And provided further*, That persons shown by evidence satisfactory to the Administrator to have been mentally or legally incompetent at the time the right to apply for continuation of insurance or for death benefits expires, may make such application at any time within one year after the removal of such disability.

Added by sec. 3, Public, No. 667, 77th Cong., July 11, 1942.

(6) Policies issued hereunder upon application as provided in subsection (3) (A) or (B) shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance.

Act of Oct. 8, 1940.

(e) The premium rates for such insurance shall be the net rates based upon the American Experience Table of Mortality and interest at the rate of 3 percentum per annum. All cash, loan, paid up, and extended values, and all other calculations in connection with such insurance, shall be based upon said American Experience Table of Mortality and interest at the rate of 3 per centum per annum.

<sup>1</sup> Sec. 4, Public, No. 667, 77th Cong., July 11, 1942: The Administrator is authorized and directed to transfer from the National Service Life Insurance appropriation to the National Service Life Insurance fund such sums as may be necessary to cover all losses incurred and premiums waived under subsections (2), (3), and (4) of section 602 (d) as amended.

(f) Such insurance shall be issued upon the five year level premium term plan,<sup>1</sup> with the privilege of conversion as of the date when any premium becomes or has become due, or exchange as of the date of the original policy, upon payment of the difference in reserve, at any time after such policy has been in effect for one year and within the term period, to policies of insurance upon the following plans: Ordinary life, twenty-payment life, thirty-payment life, twenty-year endowment, endowment at age sixty, and endowment at age sixty-five: *Provided*, That conversion to an endowment plan may not be made while the insured is totally disabled. All level premium term policies shall cease and terminate at the expiration of the term period. Provisions for cash, loan, paid-up, and extended values, dividends from gains and savings, refund of unearned premiums, and such other provisions as may be found to be reasonable and practicable may be provided for in the policy of insurance or from time to time by regulations promulgated by the Administrator.

Act of Oct. 8, 1940, as amended by sec. 3, Public, No. 589, 79th Cong., Aug. 1, 1946.

(g) The insurance shall be payable only to a widow, widower, child (including a stepchild or an illegitimate child if designated as beneficiary by the insured), parent, brother or sister of the insured. The insured shall have the right to designate the beneficiary or beneficiaries of the insurance, but only within the classes herein provided, and shall, subject to regulations, at all times have the right to change the beneficiary or beneficiaries of such insurance without the consent of such beneficiary or beneficiaries but only within the classes herein provided: *Provided*, That the provisions of this subsection as to the restricted permitted class of beneficiaries shall not apply to any national service life-insurance policy maturing on or after the date of enactment of the Insurance Act of 1946.<sup>2</sup>

Act of Oct. 8, 1940, as amended by Public, No. 667, 77th Cong., July 11, 1942. Proviso added by sec. 4, Public, No. 589, 79th Cong., Aug. 1, 1946.

(h) Insurance maturing prior to the date of enactment of the Insurance Act of 1946<sup>2</sup> shall be payable in the following manner:

Act of Oct. 8, 1940, as amended by sec. 9, Public, No. 667, 77th Cong., July 11, 1942, by secs. 5 and 6, Public, No. 452, 78th Cong., Sept. 30, 1944, and sec. 6 (a), Public, No. 589, 79th Cong., Aug. 1, 1946.

(1) If the beneficiary to whom payment is first made is under thirty years of age at the time of maturity, in two hundred and forty equal monthly installments: *Provided*, That the Administrator, under regulations to be promulgated by him, may include a provision in the insurance contract authorizing the insured or the beneficiary to elect in lieu of this mode of payment and prior to the commencement of payments, a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such re-

<sup>1</sup>The 5-year term policies issued prior to December 31, 1945, were extended for an additional period of 3 years. (See appendix.)

<sup>2</sup>Sec. 16 of Public Law No. 589, 79th Congress, August 1, 1946, reads: "This Act may be cited as the 'Insurance Act of 1946'."

duced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of such beneficiary: *Provided further*, That in any case in which insurance benefit payments were commenced prior to September 30, 1944, the beneficiary, whether or not the first beneficiary, shall have the right to elect to receive a refund life income, as provided in such optional settlement, payable in monthly installments adjusted as of the date of the maturity of such policy, credit being allowed for payments previously made on the insurance. The right of election with respect to cases in which benefit payments were commenced prior to September 30, 1944, shall terminate two years after the date of enactment of the Insurance Act of 1946. The Administrator is directed to send, within one year after the date of enactment of the Insurance Act of 1946,<sup>1</sup> to each beneficiary of insurance on which payments were commenced prior to September 30, 1944, a notice explaining the right of election. Any such notice shall be sent by registered mail addressed to the last known address of the addressee.

(2) If the beneficiary to whom payment is first made is thirty or more years of age at the time of maturity, in equal monthly installments for one hundred and twenty months certain, with such payments continuing during the remaining lifetime of such beneficiary: *Provided*, That the Administrator, under regulations to be promulgated by him, may include a provision in the insurance contract authorizing the insured or the beneficiary to elect; in lieu of this mode of payment and prior to the commencement of payments, a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of such beneficiary: *Provided further*, That such optional settlement shall not be available in any case in which such settlement would result in payments of installments over a shorter period than one hundred and twenty months: *Provided further*, That in any case in which insurance benefit payments were commenced prior to September 30, 1944, the beneficiary, whether or not the first beneficiary, shall have the right to elect to receive a refund life income, as provided in such optional settlement, payable in monthly installments adjusted as of the date of the maturity of such policy, credit being allowed for payments previously made on the insurance. The right of election with respect to cases in which benefit payments were commenced prior to September 30, 1944,

<sup>1</sup> See footnote sec. 602 (g).

shall terminate two years after the date of enactment of the Insurance Act of 1946.<sup>1</sup> The Administrator is directed to send, within one year after the date of enactment of the Insurance Act of 1946,<sup>1</sup> to each beneficiary of insurance on which payments were commenced prior to September 30, 1944, a notice explaining the right of election. Any such notice shall be sent by registered mail addressed to the last known address of the addressee.

(3) Any installments certain of insurance remaining unpaid at the death of any beneficiary shall be paid in equal monthly installments in an amount equal to the monthly installments paid to the first beneficiary, to the person or persons then in being within the classes hereinafter specified and in the order named, unless designated by the insured in a different order—

Act of Oct. 8,  
1940.

(A) to the widow or widower of the insured, if living;

(B) if no widow or widower, to the child or children of the insured, if living, in equal shares;

(C) if no widow, widower, or child, to the parent or parents of the insured who last bore that relationship, if living, in equal shares;

No. 607, 77th  
Cong., July  
11, 1942.

(D) if no widow, widower, child, or parent, to the brothers and sisters of the insured, if living, in equal shares.

(i) If no beneficiary is designated by the insured or if the designated beneficiary does not survive the insured, the beneficiary shall be determined in accordance with the order specified in subsection (h) (3) of this section and the insurance shall be payable in equal monthly installments in accordance with subsection (h) (1) or (2), as the case may be. The right of any beneficiary to payment of any installments shall be conditioned upon his or her being alive to receive such payments. No person shall have a vested right to any installment or installments of any such insurance and any installments not paid to a beneficiary during such beneficiary's lifetime shall be paid to the beneficiary or beneficiaries within the permitted class next entitled to priority, as provided in subsection (h). The provisions of this subsection shall not be applicable to insurance maturing on or after the date of enactment of the Insurance Act of 1946.<sup>1</sup>

Act of Oct.  
8, 1940, as  
amended by  
sec. 5 (b)  
Public, No. 589,  
79th Cong.,  
Aug. 1, 1946.

(j) No installments of such insurance shall be paid to the heirs or legal representatives as such of the insured or of any beneficiary, and in the event that no person within the permitted class survives to receive the insurance or any part thereof no payment of the unpaid installments shall be made, except that if the reserve of a contract of converted national service life insurance, together with dividends accumulated thereon, less any indebtedness under such contract, exceeds the aggregate

Act of Oct.  
8, 1940, as  
amended by  
sec. 1, Public,  
No. 452, 78th  
Cong., Sept. 30,  
1944, as  
amended by  
sec. 5 (b),  
Public, No. 589,  
79th Cong.,  
Aug. 1, 1946.

<sup>1</sup> See footnote rec. 602 (g).

amount paid to beneficiaries, the excess shall be paid to the estate of the insured unless the estate of the insured would escheat under the laws of his place of residence, in which event no payment shall be made. The provisions of this subsection shall not be applicable to insurance maturing on or after the date of enactment of the Insurance Act of 1946.<sup>1</sup>

Act of Oct. 8, 1940, as amended by sec. 5 (b), Public No. 589, 70th Cong., Aug. 1, 1946.

(k) When the amount of an individual monthly payment is less than \$5, such amount may, in the discretion of the Administrator, be allowed to accumulate without interest and be disbursed annually. The provisions of this subsection shall not be applicable to insurance maturing on or after the date of enactment of the Insurance Act of 1946.<sup>1</sup>

Act of Oct. 8, 1940 (1) Any payments of insurance made to a person, represented by the insured to be within the permitted class of beneficiaries shall be deemed to have been properly made and to satisfy fully the obligation of the United States under such insurance policy to the extent of such payments.

Act of Oct. 8, 1940, as amended by Public No. 451, 77th Cong., Feb. 11, 1942.

(m) (1) The Administrator shall, by regulations, prescribe the time and method of payment of the premiums on such insurance, but payments of premiums in advance shall not be required for periods of more than one month each, and may at the election of the insured be deducted from his active-service pay or be otherwise made:<sup>2</sup> *Provided*, That an amount equal to the first premium due under a national service life-insurance policy may be advanced from current appropriations for active service pay to any person in the active service in the Army, Navy, Marine Corps, or Coast Guard, which amount shall constitute a lien upon any service or other pay accruing to the person for whom such advance was made and shall be collected therefrom if not otherwise paid: *Provided further*, That no disbursing or certifying officer shall be responsible for any loss incurred by reason of the advance herein authorized: *And provided further*, That any amount so advanced in excess of available service or other pay shall constitute a lien on the policy within the provisions of section 5, Public Law Numbered 866, Seventy-sixth Congress, approved October 17, 1940.

Added by sec. 6, Public No. 689, 79th Cong., Aug. 1, 1946.

(2) In any case in which the insured provided for the payment of premiums on his insurance by authorizing in writing the deduction of premiums from his service pay, such insurance shall be deemed not to have lapsed so long as he remained in active service prior to the date of enactment of the Insurance Act of 1946,<sup>1</sup> notwithstand-

<sup>1</sup> See footnote sec. 602 (g).

<sup>2</sup> Sec. 6 of Public No. 704, 79th Cong., August 9, 1946, authorizes the use of terminal pay bonds to pay premiums and other charges on insurance. (See appendix.)

ing the fact that deduction of premiums was discontinued because—

(A) the insured was discharged to accept a commission; or

(B) the insured was absent without leave, if restored to active duty; or

(C) the insured was sentenced by court martial, if he was restored to active duty, required to engage in combat, or killed in combat.

In any case in which the insured under any insurance continued in force by the provisions of this paragraph died while such insurance was so continued in force, any premiums due on such insurance shall be deducted from the proceeds of the insurance. Any premiums deducted or collected on any such insurance shall be credited to the national service life insurance appropriation and any payments of benefits on any such insurance shall be made directly from such appropriation.<sup>1</sup>

(n) Upon application by the insured and under such regulations as the Administrator may promulgate, payment of premiums on such insurance may be waived during the continuous total disability of the insured, which continues or has continued for six or more consecutive months, if such disability commenced (1) subsequent to the date of his application for insurance, (2) while the insurance was in force under premium-paying conditions, and (3) prior to the insured's sixtieth birthday: *Provided*, That upon application made within one year after the date of enactment of the Insurance Act of 1946<sup>2</sup> the Administrator shall grant waiver of any premium becoming due not more than five years prior to the date of enactment of such Act which may be waived under the foregoing provisions of this subsection: *Provided further*, That the Administrator, upon any application made subsequent to one year after the date of enactment of the Insurance Act of 1946,<sup>2</sup> shall not grant waiver of any premium becoming due more than one year prior to the receipt in the Veterans' Administration of application for the same, except as hereinafter provided. Any premiums paid for months during which waiver is effective shall be refunded. The Administrator shall provide by regulations for examination or reexamination of an insured claiming benefits under this subsection, and may deny benefits for failure to cooperate. In the event that it is found that an insured is no longer totally disabled, the waiver of premiums shall cease as of the date of such finding and the policy of insurance may be continued by pay-

Act of Oct. 8, 1940, as amended by sec. 5, Public No. 667, 77th Cong., July 11, 1942, by sec. 7, Public No. 452, 78th Cong., Sept. 30, 1944, and by Sec. 7, Public No. 589, 79th Cong., Aug. 1, 1946.

<sup>1</sup> Subsec. (m) is amended by sec. 6 of Public No. 589 and is preceded by the following:

"SEC. 6. Section 602 (m) of the National Service Life Insurance Act of 1940 is hereby amended, effective as of October 8, 1940, to read as follows:"

<sup>2</sup> See footnote sec. 602 (g).

ment of premiums as provided in said policy: *Provided further*, That in any case in which the Administrator finds that the insured's failure to make timely application for waiver of premiums or his failure to submit satisfactory evidence of the existence or continuance of total disability was due to circumstances beyond his control, the Administrator may grant waiver or continuance of waiver of premiums: *And provided further*, That in the event of death of the insured without filing application for waiver, the beneficiary, within one year after the death of the insured or the enactment of this amendment, whichever be the later, or, if the beneficiary be insane or a minor, within one year after removal of such legal disability, may file application for waiver with evidence of the insured's right to waiver under this section. Premium rates shall be calculated without charge for the cost of the waiver of premiums herein provided and no deduction from benefits otherwise payable shall be made on account thereof.

Act of Oct. 8,  
1940.

(o) The Administrator shall promptly determine and publish the terms and conditions of such insurance. Pending the promulgation of the terms and conditions of the five year level premium term policy and the printing of such policy, the Administrator may issue a certificate in lieu thereof as evidence that insurance has been granted and the rights and liabilities of the applicant and of the United States shall be those specified by the terms and conditions of the policy when published.

Act of Oct.  
8, 1940, as  
amended by  
sec. 8, Public  
No. 589, 79th  
Cong., Aug.  
1, 1946.

(p) Such insurance may be made effective, as specified in the application, not later than the first day of the calendar month following the date of application therefor, but the United States shall not be liable thereunder for death occurring prior to such effective date. Notwithstanding the foregoing provisions of this subsection, in any case in which prior to the date of enactment of the Insurance Act of 1946<sup>1</sup> application was made for insurance to become effective subsequent to the date of application and the applicant died in line of duty prior to the date such insurance was to become effective, the United States shall be liable to the same extent as it would have been if such insurance had been in force on the date of death of the applicant. Any payments of benefits made as a result of the enactment of the preceding sentence shall be made directly from the national service life insurance appropriation.

Act of Oct. 8,  
1940.

(q) Such insurance shall be issued in any multiple of \$500 and the amount of such insurance with respect to any one person shall be not less than \$1,000 or more than \$10,000.

<sup>1</sup> See footnote sec. 602 (g).

(r) In any case in which premiums are not waived under subsection (n) hereof solely because the insured died prior to the continuance of total disability for six months, and proof of such facts, satisfactory to the Administrator of Veterans' Affairs, is filed by the beneficiary with the Veterans' Administration within one year after the enactment of this amendment, or one year after the insured's death, whichever is the later date, his insurance shall be deemed to be in force at the date of his death, and the unpaid premiums shall become a lien against the proceeds of his insurance: *Provided*, That if the beneficiary be insane or a minor, proof of such facts may be filed within one year after removal of such legal disability.

Added by sec. 3, Public, No. 452, 78th Cong., Sept. 30, 1944.

(s) Payment of insurance benefits shall not be denied in any case in which the applicant for insurance died prior to July 1, 1942, and the Administrator of Veterans' Affairs finds that the failure to pay premiums or to effect deductions thereof as provided in section 602 (m) hereof, could in any way be attributed to the inadequacy of the Service Department's procedure for authorizing deductions of premiums from active service pay prior to that date, or to want of proper instructions as to the requirements of such procedure: *Provided*, That premium due on such insurance shall be deducted from the proceeds of the insurance unless otherwise adjusted.<sup>1</sup>

Added by sec. 2, Public, No. 453, 78th Cong., Sept. 30, 1944.

(t) Insurance maturing on or subsequent to the date of enactment of the Insurance Act of 1946<sup>2</sup> shall be payable in accordance with the following optional modes of settlement:

Added by sec. 9, Public, No. 580, 79th Cong., Aug. 1, 1946.

(1) In one sum.

(2) In equal monthly installments of from thirty-six to two hundred and forty in number, in multiples of twelve.

(3) In equal monthly installments for one hundred and twenty months certain with such payments continuing during the remaining lifetime of the first beneficiary.

(4) As a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the first beneficiary: *Provided*, That such optional settlement shall not be available in any case in which such settlement would result in payments of install-

<sup>1</sup> Sec. 3, Public, No. 453, 78th Cong., September 30, 1944: Any liability under this amendatory Act shall be chargeable to the National Service Life Insurance appropriation.

<sup>2</sup> See footnote sec. 602 (g).

ments over a shorter period than one hundred and twenty months.

Unless the insured elects some other mode of settlement, the insurance shall be payable to the designated beneficiary or beneficiaries in thirty-six equal monthly installments. The first beneficiary may elect to receive payment under any option which provides for payment over a longer period of time than the option elected by the insured, or if no option be designated by the insured, in excess of thirty-six months. If the option selected requires payment to any one beneficiary of monthly installments of less than \$10, the amount payable to such beneficiary shall be paid in such maximum number of monthly installments as are a multiple of twelve as will provide a monthly installment of not less than \$10. If the present value of the amount payable at the time any person initially becomes entitled to payment thereof is not sufficient to pay at least twelve monthly installments of not less than \$10 each, such amount shall be payable in one sum. Options (3) and (4) shall not be available if any firm, corporation, legal entity (including the estate of the insured); or trustee is beneficiary, or in any case in which an endowment contract matures by reason of the completion of the endowment period.

Added by sec.  
9, Public, No.  
589, 79th  
Cong., Aug. 1,  
1946.

(u) With respect to insurance maturing on or subsequent to the date of enactment of the Insurance Act of 1946,<sup>1</sup> in any case in which the beneficiary is entitled to a lump-sum settlement but elects some other mode of settlement and dies before receiving all the benefits due and payable under such mode of settlement, the present value of the remaining unpaid amount shall be payable to the estate of the beneficiary; and in any case in which no beneficiary is designated by the insured, or the designated beneficiary does not survive the insured, or a designated beneficiary not entitled to choose a lump-sum settlement survives the insured, and dies before receiving all the benefits due and payable, the commuted value of the insurance remaining unpaid shall be paid in one sum to the estate of the insured: *Provided*, That in no event shall there be any payment to the estate of the insured or of the beneficiary of any sums unless it is shown that any sums paid will not escheat.

Added by sec.  
9, Public, No.  
589, 79th  
Cong., Aug. 1,  
1946.

(v) (1) The Administrator is hereby authorized and directed, upon application by the insured and proof of good health satisfactory to the Administrator and payment of such extra premium as the Administrator shall prescribe, to include in any national service life-insurance policy on the life of the insured provisions whereby an insured who is shown to have become totally disabled for a period of six consecutive months or more commencing after the date of such application and before at-

<sup>1</sup> See footnote sec. 602 (g).

taining the age of sixty and while the payment of any premium is not in default, shall be paid monthly disability benefits from the first day of the seventh consecutive month of and during the continuance of such total disability of \$5 for each \$1,000 of such insurance in effect when such benefits become payable: *Provided*, That in any case in which the applicant while not totally disabled and prior to January 1, 1950, furnishes proof satisfactory to the Administrator that his inability to furnish proof of good health is the result of an actually service-incurred injury or disability, the requirement of proof of good health shall be waived, but in such case the extra premium for disability coverage paid by any such insured shall be credited directly to the national service life-insurance appropriation and any disability payments made to such insured shall be made directly from the national service life-insurance appropriation: *Provided further*, That policies containing additional provisions for the payment of disability benefits may be separately classified for the purpose of dividend distribution from otherwise similar policies not containing such benefit.

(2) Whenever benefits under the total-disability provision authorized by section 602 (v) (1) hereof become, or have become, payable because of total disability of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Administrator of Veterans' Affairs, the liability shall be borne by the United States, and the Administrator is hereby authorized and directed to transfer from the national service life-insurance appropriation to the national service life-insurance fund from time to time any amounts which become, or have become, payable to the insured on account of such total disability, and to transfer from the national service life-insurance fund to the national service life-insurance appropriation the amount of the reserve held on account of the total-disability benefit. When a person receiving such payments on account of total disability recovers from such disability, and is then entitled to continue protection under the total-disability provision, the Administrator is hereby authorized and directed to transfer to the national service life-insurance fund a sum sufficient to set up the then required reserve on such total-disability benefit.

(w) Subject to the provisions of section 612 of the National Service Life Insurance Act of 1940, as amended, all contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issue, reinstatement, or conversion except for fraud, nonpayment of premium, or on the ground that the applicant was not a member of the military or naval forces of the United States.

Added by sec.  
9. Public. No.  
580. 79th  
Cong., Aug. 1,  
1946.

Added by sec. 9, Public, No. 589, 79th Cong., Aug. 1, 1946.

(x) When an optional mode of settlement of insurance heretofore or hereafter matured is available to a beneficiary who is a minor or incompetent, such option may be exercised by his fiduciary, person qualified under Public Law 373, Seventy-second Congress, February 25, 1933 (47 Stat. 907; 25 U. S. C. 14), or person recognized by the Administrator as having custody of the person or the estate of such beneficiary, and the obligation of the United States under the insurance contract shall be fully satisfied by payment of benefits in accordance with the mode of settlement so selected.

Added by sec. 9, Public, No. 589, 79th Cong., Aug. 1, 1946.

(y) (1) Any level premium term insurance which has lapsed may be reinstated within the term upon written application, payment of two monthly premiums, and evidence satisfactory to the Administrator that the applicant, subject to the provisions of the second sentence of section 602 (c) (2), supra, is in good health.

(2) Any level premium term insurance which has lapsed may be reinstated within the term upon written application, made within six months after the date of such lapse or within six months after the date of enactment of the Insurance Act of 1946,<sup>1</sup> whichever is the later, and payment of two monthly premiums, provided such applicant is in as good health on the date of application and tender of premiums as he was on the due date of the premium in default and furnishes evidence thereof satisfactory to the Administrator: *Provided*, That when the insured makes inquiry prior to the expiration of the grace period disclosing a clear intent to continue insurance protection, an additional reasonable period not exceeding sixty days may be granted for payment of premiums due, but the premiums in any such case must be paid during the lifetime of the insured.

Added by sec. 10, Public, No. 589, 79th Cong., Aug. 1, 1946.

(z) Without prejudice to any other cause of disability, the permanent loss of the use of both feet, of both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the total loss of hearing of both ears, or the organic loss of speech, shall be deemed total disability for insurance purposes.<sup>2</sup>

Act of Oct. 8, 1940.

SEC. 603. No person may carry a combined amount of National Service Life Insurance and United States Government life insurance in excess of \$10,000 at any one time.

Act of Oct. 8, 1940.

SEC. 604. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this part, to be known as the National Service Life Insurance appropriation, for the payment

<sup>1</sup> See footnote sec. 602 (g).

<sup>2</sup> (z) as amended by section 10 of Public No. 589, is preceded by the following:

"Sec. 10. Section 602 of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, by adding at the end thereof the following new subsection:"

of liabilities under National Service Life Insurance. Payments from this appropriation shall be made upon and in accordance with awards by the Administrator.

SEC. 605. (a) There is hereby created in the Treasury a permanent trust fund to be known as the National Service Life Insurance Fund. All premiums paid on account of National Service Life Insurance shall be deposited and covered into the Treasury to the credit of such fund, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance, including payment of dividends and refunds of unearned premiums. Payments from this fund shall be made upon and in accordance with awards by the Administrator.<sup>1</sup>

Act of Oct. 8,  
1940.

(b) The Administrator is authorized to set aside out of such fund such reserve amounts as may be required under accepted actuarial principles, to meet all liabilities under such insurance; and the Secretary of the Treasury is hereby authorized to invest and reinvest such fund, or any part thereof, in interest-bearing obligations of the United States or in obligations guaranteed as to principal and interest by the United States, and to sell such obligations for the purposes of such fund.

SEC. 606. The United States shall bear the cost of administration in connection with this part, including expenses for medical examinations, printing and binding, and for such other expenditures as are necessary in the discretion of the Administrator. The appropriations made for the Veterans' Administration for the fiscal year 1941 for administrative expenses shall be available for the payment of such costs of administration under this part.

Act of Oct. 8,  
1940.

SEC. 607. (a) The United States shall bear the excess mortality cost and the cost of waiver of premiums on account of total disability traceable to the extra hazard of military or naval service, as such hazard may be determined by the Administrator.

Act of Oct. 8,  
1940, as amended by sec. 11,  
Public, No.  
589, 70th  
Cong., Aug. 1,  
1946.

(b) Whenever benefits under such insurance become payable because of the death of the insured as the result of disease or injury traceable to the extra hazard of military or naval service, as such hazard may be determined by the Administrator, the liability for payment of such benefits shall be borne by the United States in an amount which, when added to the reserve of the policy at the time of death of the insured, will equal the then value of such benefits under such policy. Where life contingencies are involved in the calculation of the value of such benefits of insurance heretofore or hereafter matured, the calculation of such liability or liabilities shall be based upon such mortality table or tables as the Administrator may prescribe with interest at the rate

<sup>1</sup> See Public, No. 448, 77th Cong., approved February 10, 1942.

of 3 per centum per annum.<sup>1</sup> The Administrator is authorized and directed to transfer from time to time from the National Service Life Insurance appropriation to the National Life Insurance Fund such sums as may be necessary to carry out the provisions of this section.

(c) Whenever the premiums under such insurance are waived as provided in section 602 (n) because of the total disability of the insured as the result of disease or injury traceable to the extra hazard of military or naval service, as such hazard may be determined by the Administrator, the premiums so waived shall be paid by the United States and the Administrator is authorized and directed to transfer from time to time an amount equal to the amount of such premiums from the National Service Life Insurance appropriation to the National Service Life Insurance Fund.<sup>2</sup>

Act of Oct. 8, 1940, as amended by sec. 12, Public, No. 589, 79th Cong., Aug. 1, 1946.

SEC. 608. The Administrator, subject to the general direction of the President, shall administer, execute, and enforce the provisions of this Act, shall have power to make such rules and regulations, not inconsistent with the provisions of this Act, as are necessary or appropriate to carry out its purposes, and shall decide all questions arising hereunder. All officers and employees of the Veterans' Administration shall perform such duties in connection with the administration of this Act as may be assigned to them by the Administrator. All official acts performed by such officers and employees designated therefor by the Administrator shall have the same force and effect as though performed by the Administrator. Except in the event of suit as provided in section 617 hereof, or other appropriate court proceedings, all decisions rendered by the Administrator under the provisions of this Act, or regulations properly issued pursuant thereto, shall be final and conclusive on all questions of law or fact, and no other official of the United States, except a judge or judges of United States courts, shall have jurisdiction to review any such decisions.<sup>3</sup>

Act of Oct. 8, 1940.

SEC. 609. (a) There shall be no recovery of payments made under this part from any person who, in the judg-

<sup>1</sup> This sentence was added by sec. 11, Public, No. 539 and is preceded by the following:

"Sec. 11. Section 607 (b) of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, by inserting after the first sentence thereof the following:"

<sup>2</sup> Sec. 2, Public, No. 816, 77th Cong., Dec. 18, 1942: For the purposes of applying section 607 of the National Service Life Insurance Act of 1940, or section 802 of the World War Veterans' Act, 1924, as amended, any disability for which waiver was required as a condition of tender of commission under this Act shall be deemed to be a disability resulting from an injury or disease traceable to the extra hazard of military or naval service.

<sup>3</sup> This section is amended by sec. 12 of Public, No. 589, and is preceded by the following:

"Sec. 12. Section 608 of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, to read as follows:"

ment of the Administrator, is without fault on his part and where, in the judgment of the said Administrator, such recovery would defeat the purpose of benefits otherwise authorized herein or would be against equity and good conscience. No disbursing officer or certifying officer shall be held liable for any amount paid to any person where the recovery of such amount is waived under this section.

(b) Where, under the provisions of this section, the recovery of a payment made from the National Service Life Insurance Fund is waived, the National Service Life Insurance Fund shall be reimbursed for the amount of such payment from the current appropriation for National Service Life Insurance.

SEC. 610. No State law providing for presumption of death shall be applicable to claims for National Service Life Insurance. If evidence satisfactory to the Administrator is produced establishing the fact of the continued and unexplained absence of any individual from his home and family for a period of seven years, during which period no evidence of his existence has been received, the death of such individual as of the date of the expiration of such period may, for the purposes of this part, be considered as sufficiently proved.

Act of Oct. 8,  
1940.

SEC. 611. No United States Government life insurance shall be granted hereafter to any person under the provisions of section 300 of the World War Veterans' Act, 1924, as amended: *Provided*, That this section shall not be construed to prohibit the issue of United States Government life insurance policies in cases in which acceptable applications accompanied by proper and valid remittances or authorizations for the payment of premiums have, prior to the date of enactment of this Act, been received by the Veterans' Administration or which have, prior to said date, been placed in the mails properly directed to said Veterans' Administration, or been delivered to an authorized representative of the War Department, the Navy Department, or the Coast Guard, and which are forwarded to the Veterans' Administration not later than one hundred and twenty days subsequent to said date.

Act of Oct. 8,  
1940.

SEC. 612. Any person guilty of mutiny, treason, spying, or desertion, or who, because of conscientious objections, refuses to perform service in the land or naval forces of the United States or refuses to wear the uniform of such force, shall forfeit all rights to insurance under this part. No insurance shall be payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy of the United States; but the cash surrender value, if any, of such insurance on the date of such death shall

Act of Oct. 8,  
1940.

be paid to the designated beneficiary, if living, or otherwise to the beneficiary or beneficiaries within the permitted class in accordance with the order specified in section 602 (h) (3).

Act of Oct. 8,  
1940.

SEC. 613. Whoever in any claim for insurance issued under the provisions of this part makes any sworn statement of a material fact knowing it to be false, shall be guilty of perjury and shall, upon conviction thereof, be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or by both such fine and imprisonment.

Act of Oct. 8,  
1940.

SEC. 614. Whoever, with intent to defraud the United States or any beneficiary of such insurance, shall obtain or receive any money or check for National Service Life Insurance without being entitled to the same, shall, upon conviction thereof, be punished by a fine of not more than \$2,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

Act of Oct.  
8, 1940.

SEC. 615. Any person who shall knowingly make or cause to be made, or conspire, combine, aid, or assist in, agree to, arrange for, or in any wise procure the making or presentation of a false or fraudulent affidavit, declaration, certificate, statement, voucher, or paper, or writing purporting to be such, concerning any application for insurance or reinstatement thereof, waiver of premiums or claim for benefits under National Service Life Insurance for himself or any other person, shall, upon conviction thereof, be punished by a fine of not more than \$1,000, or imprisonment for not more than one year, or by both such fine and imprisonment.

Act of Oct. 8,  
1940, as  
amended by  
sec. 13, Public  
No. 589, 79th  
Cong., Aug. 1,  
1946.

SEC. 616. The provisions of Public Law Numbered 262, Seventy-fourth Congress, approved August 12, 1935 (49 Stat. 607), and titles II and III of Public Law Numbered 844, Seventy-fourth Congress, approved June 29, 1936 (49 Stat. 2031), insofar as they are applicable, shall apply to the provisions of this part: *Provided*, That assignments of all or any part of the beneficiary's interest may be made by a designated beneficiary to a widow, widower, child, father, mother, grandfather, grandmother, brother, or sister of the insured, when the designated contingent beneficiary, if any, joins the beneficiary in the assignment, and if the assignment is delivered to the Veterans' Administration before any payments of the insurance shall have been made to the beneficiary: *Provided further*, That an interest in an annuity, when assigned, shall be payable in equal monthly installments in such multiple of twelve as most nearly equals the number of installments certain under such annuity, or in two hundred and forty installments, whichever is the lesser.

**Sec. 617.** In the event of disagreement as to any claim arising under this Act, suit may be brought in the same manner and subject to the same conditions and limitations as are applicable to the United States Government life (converted) insurance under the provisions of sections 19 and 500 of the World War Veterans' Act, 1924, as amended.<sup>1</sup>

**Sec. 618.** This part may be cited as the "National Service Life Insurance Act of 1940."

Act of Oct. 8, 1940, as amended by sec. 8, Public, No. 867, 77th Cong., July 11, 1942, and sec. 14, Public, No. 589, 79th Cong., Aug. 1, 1946.

Act of Oct. 8, 1940.

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<sup>1</sup>This section is amended by sec. 14 of Public, No. 589 and is preceded by the following:

"Sec. 14. Section 617 of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, to read as follows:"



## APPENDIX

### [Section 5—Insurance]

[PUBLIC LAW 97, 77TH CONGRESS]

[CHAPTER 165—1ST SESSION]

[S. 840]

AN ACT

To create the grade of aviation cadet in the Air Corps, Regular Army, and to prescribe the pay and allowances therefor, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the grade of aviation cadet is hereby created as a special and separate enlisted grade in the Air Corps, Regular Army, in substitution for the grade of flying cadet, created by the Act approved July 11, 1919, entitled "An Act making appropriations for the support of the Army for the fiscal year ending June 30, 1920, and for other purposes". Wherever, in any Act of Congress, the designation "flying cadet" shall appear, it shall be construed to mean aviation cadet.

SEC. 2. The Secretary of War is hereby authorized and directed to establish and maintain one or more schools for the training and instruction of aviation cadets.

SEC. 3. Under such regulations as the Secretary of War may prescribe, male citizens of the United States may enlist as aviation cadets, and enlisted men in the Regular Army may be appointed by the Secretary of War as aviation cadets. Each aviation cadet shall, at the time of his enlistment or appointment as such, be required to sign an agreement that upon his successful completion of the prescribed course of training and instruction as an aviation cadet he will accept a commission as second lieutenant, Air Corps Reserve, and will serve as such for a continuous period of three years on active duty, unless sooner released: *Provided*, That in the case of a minor, such agreement shall be signed with the consent of his parents or guardian. Upon the successful completion of such prescribed course of training and instruction, each aviation cadet shall be commissioned as a second lieutenant, Air Corps Reserve, and upon the completion of such period of three years on active duty each such second lieutenant shall be promoted to the grade of first lieutenant, Air Corps Reserve. The Secretary of War may at

Amended by  
sec. 6, Public,  
No. 658, 77th  
Cong., July  
8, 1942.

any time discharge any aviation cadet or release from active duty any such officer in the Air Corps Reserve.

SEC. 4. The base pay of any aviation cadet shall be \$75 per month, which pay shall include extra pay for flying risk, as provided by law. Aviation cadets shall be paid, in addition, a money allowance for subsistence of \$1 per day and shall, while undergoing training, be furnished quarters, medical care, and hospitalization and shall be issued uniforms, clothing, and equipment at Government expense. No aviation cadet shall be entitled to receive longevity pay. While traveling under orders, they shall, under such regulations as the Secretary of War may prescribe, receive transportation and reimbursement for necessary expenses incurred which are incident to such travel, or cash in lieu thereof. When traveling by air under competent orders, they shall receive the same allowances for traveling expenses as are now or may hereafter be authorized by law for officers of the Army. When commissioned as second lieutenants, Air Corps Reserve, pursuant to this Act, they shall be paid a uniform allowance of \$150.

Amended by  
sec. 7, Public,  
No. 658, 77th  
Cong., July 8,  
1942; extended  
by sec. 602 (d)  
(2) of Public  
No. 801, 76th  
Cong., Oct. 8,  
1940, as  
amended by  
Public No.  
749, 77th  
Cong., Oct. 17,  
1942. See Pub-  
lic, No. 453,  
78th Cong.,  
Sept. 30, 1944.

SEC. 5. Aviation cadets shall be issued Government life insurance in the amount of \$10,000, the premiums on which shall be paid by the Government. Upon being commissioned as second lieutenants, Air Corps Reserve, they shall have the option of continuing such policies at their own expense.

SEC. 6. Section 2 of the Act of June 16, 1936 (49 Stat. 1524), as amended, is hereby amended to read as follows:

"SEC. 2. Whenever any Air Corps Reserve officer who has not been selected for commission in the Regular Army is released from active duty that has been continuous for one or more years, he shall be paid a lump sum of \$500 for each complete year of active service as such officer, and if released from active duty otherwise than upon his own request, or as a result of inefficient or unsatisfactory service as determined by the Secretary of War, such lump-sum payment shall be prorated for fractional parts of each year of such active service. The lump-sum payments herein authorized shall be in addition to any pay, allowances, compensation, or benefits which such officers may otherwise be entitled to receive."

SEC. 7. All laws and parts of laws inconsistent with or in conflict with the provisions of this Act are hereby repealed.

SEC. 8. This Act may be cited as the "Army Aviation Cadet Act".

Approved, June 3, 1941.

## [PUBLIC LAW 99—77TH CONGRESS]

## [CHAPTER 167—1ST SESSION]

[S. 1371]

## AN ACT

To authorize the training of enlisted men of the Army as aviation students

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of War be, and he is hereby, authorized, under such regulations as he may prescribe, to cause the detail of enlisted men of the Regular Army and of other components of the Army of the United States in active Federal service for training and instruction as aviation students, in their respective grades, in such numbers and schools as he shall direct: *Provided,* That enlisted men so detailed as aviation students who are undergoing courses of instruction which require them to participate regularly and frequently in aerial flights shall be issued Government life insurance in the amount of \$10,000 under the National Service Life Insurance Act of 1940 (Public, Numbered 801, title VI, part 1), except that the premiums shall be paid by the Government during the period such enlisted men are undergoing training and instruction, and upon completion of training and instruction as aviation students they shall have the option of continuing such policies at their own expense: *And provided further,* That nothing herein shall be construed as repealing or otherwise affecting existing statutory authorizations for the appointment and training of aviation students or aviation cadets.

Approved, June 3, 1941.

See Public, No. 571, 77th Cong., June 5, 1942; sec. 602 (d) (2) of Public, No. 801, 76th Cong., Oct. 8, 1940, as amended by Public, No. 749, 77th Cong., Oct. 17, 1942; and see Public, No. 453, 78th Cong., Sept. 30, 1944.

## [Section 6—Insurance]

## [PUBLIC LAW 289—77TH CONGRESS]

## [CHAPTER 468—1ST SESSION]

[S. 1508]

## AN ACT

To provide for the pay of aviation pilots in the Naval and Marine Corps Reserve, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That each enlisted man of the Naval Reserve or the Marine Corps Reserve who is designated, under regulations prescribed by the Secretary of the Navy, as a

student aviation pilot, and who commences flight training leading to designation as aviation pilot, shall sign an agreement, with the consent of his parent or guardian if he be a minor, to serve for a continuous period of two years on active duty in the Naval Reserve or the Marine Corps Reserve, following successful completion of flight training, unless sooner released: *Provided*, That in time of peace such aviation pilot may, with his own consent, in the discretion of the Secretary of the Navy, serve on active duty for an additional period of not more than two years.

**SEC. 2.** Enlisted men of the Naval Reserve and the Marine Corps Reserve who are designated, under regulations prescribed by the Secretary of the Navy, as aviation pilots shall, while on active duty, receive the pay of the third grade, or that of their rating, whichever is greater.

**SEC. 3.** Aviation pilots of the Naval Reserve or the Marine Corps Reserve may, if qualified under regulations prescribed by the Secretary of the Navy, be commissioned as ensigns in the Naval Reserve or second lieutenants in the Marine Corps Reserve.

**SEC. 4.** Any student aviation pilot or aviation pilot designated as such in accordance with sections 1 and 2 of this Act may at any time, in the discretion of such administrative authority as the Secretary of the Navy may designate, be discharged or released from active duty.

**SEC. 5.** Student aviation pilots shall, while undergoing training, be issued necessary uniforms and equipment at Government expense.

**SEC. 6.** Enlisted personnel of the Naval Reserve and Marine Corps Reserve, while on active duty undergoing training leading to designation as aviation pilot, and thereafter while on continuous active duty in an enlisted status with designation as aviation pilot, shall be issued Government life insurance in the amount of \$10,000 under the National Service Life Insurance Act of 1940 (Public, Numbered 801, Seventy-sixth Congress, title VI, part I), the premiums for which shall be paid from the current appropriations "Pay, subsistence and transportation, Navy", "Naval Reserve", or "Pay, Marine Corps", as may be appropriate. Upon release from active duty or discharge such enlisted personnel, or, upon commissioning pursuant to section 3 of this Act, such commissioned officers shall have the option of continuing such insurance at their own expense.

**SEC. 7.** The provisions of this Act, except as may be necessary to adapt the same thereto, shall apply to regular

Modified by  
sec. 5, Public,  
No. 698, 77th  
Cong., Aug. 4,  
1942.

enlisted members of the Coast Guard Reserve in relationship to the Coast Guard in the same manner and to the same extent and with the same relative conditions in all respects, including availability of applicable appropriations, as are provided for enlisted men of the Naval Reserve in relationship to the Navy, and the authority conferred upon the Secretary of the Navy in respect to the Navy is similarly conferred upon the Secretary of the Treasury in respect to the Coast Guard.

Approved, November 5, 1941.

[PUBLIC LAW 571—77TH CONGRESS]

[CHAPTER 331—2D SESSION]

[S. 2446]

AN ACT

To prescribe certain allowances for cadets of the United States Military Academy undergoing flight training, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That during such time as cadets of the United States Military Academy are undergoing flight training involving participation in regular and frequent aerial flights they shall be issued at Government expense the necessary aviation clothing and equipment for such training; during the course of such training when not quartered at the Military Academy they shall receive the same allowances for travel, subsistence, and quarters as are now or may hereafter be provided for Army aviation cadets; and during the course of such training they shall be entitled to the same insurance benefits as are provided by the Act of June 3, 1941 (Public Law 99, Seventy-seventh Congress), for enlisted men of the Army detailed as aviation students: *Provided,* That, upon completion of the prescribed training as aviation students, and until permanently relieved from duty involving participation in regular and frequent aerial flights, the insurance provided shall continue, but the premiums shall be deducted from the pay of the individual concerned and paid as the Secretary of War may direct to the Administrator of Veterans' Affairs; and upon being permanently relieved from duty involving participation in regular and frequent aerial flights, the insurance may be continued at the option and at the expense of the individual concerned.

Approved, June 5, 1942.

See sec. 7,  
Public, No. 658  
77th Cong.,  
July 8, 1942.  
See Public, No.  
453, 78th  
Cong., Sept.  
30, 1944.

## [Section 7—Insurance]

[PUBLIC LAW 658—77TH CONGRESS]

[CHAPTER 493—2D SESSION]

[S. 2553]

AN ACT

To create the title of flight officer in the Army Air Forces, to amend the Army Aviation Cadet Act, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That there is hereby created for the Army Air Forces the title of "flight officer." A flight officer shall have the rank, pay, and allowances provided for a warrant officer, junior grade, and shall take rank as of the date of appointment. Flight officers shall be entitled to the benefits of all existing laws or regulations covering retirement, pensions, and disability as are applicable to members of the Army of the United States when called or ordered into the active military service of the United States under existing statutory authorizations and shall be entitled to longevity pay as provided for warrant officers in section 1 of the Act of August 21, 1941 (Public Law 230, Seventy-seventh Congress). Flight officers (warrant officers, junior grade) appointed under this authority shall not be limited by the restriction as to numbers established by section 3 of the Act of August 21, 1941 (Public Law 230, Seventy-seventh Congress).

SEC. 2. The provisions of section 3 of the Army Aviation Cadet Act of June 3, 1941, are hereby suspended for the duration of the present war and for six months thereafter except as to any person who has enlisted or who has been appointed as an aviation cadet prior to the date of enactment of this Act. During such period and under such regulations as the Secretary of War may prescribe, male citizens of the United States may enlist as aviation cadets and men having an enlisted status in the Army of the United States may be appointed by the Secretary of War as aviation cadets. All enlistments shall be for the period of the duration of the present war and for six months thereafter unless sooner terminated by the President. Upon successful completion of the prescribed course of training and instruction and under such regulations with respect to selection as the Secretary of War may prescribe, each such cadet shall be commissioned as a second lieutenant in the Army of the United States under the provisions of the Act of September 22, 1941 (Public Law 252, Seventy-seventh Congress), or appointed as a flight officer in the Army of the United States. Under such regulations as the Secretary of War may prescribe, the status, pay, and allowances of any aviation cadet who fails to complete successfully the pre-

scribed course of training and instruction may be terminated and for the remainder of the war and six months thereafter he may be required to serve in any enlisted grade with the pay and allowances of such grade.

SEC. 3. During the continuance of the present war and for six months thereafter, the Secretary of War is authorized, under such regulations as he may prescribe, to make temporary appointments as flight officers in the Army of the United States from among men having an enlisted status in the Army of the United States who have received training as aviation students.

SEC. 4. Pursuant to such regulations as the Secretary of War may prescribe, flight officers may be appointed, by selection, to the grade of second lieutenant and, upon such appointment, shall be commissioned in the Army of the United States under the provisions of the Act of September 22, 1941 (Public Law 252, Seventy-seventh Congress).

SEC. 5. Any person who has completed the prescribed course of training and instruction as an aviation cadet or aviation student and has served in time of war as a commissioned officer or flight officer in the Army of the United States, may, under such regulations as the Secretary of War may prescribe, be appointed an officer in the Air Corps Reserve.

SEC. 6. Section 4 of the Army Aviation Cadet Act of June 3, 1941, is hereby amended by striking out the last sentence thereof and by substituting the following in lieu thereof: "Any person appointed as a flight officer in the Army of the United States shall be entitled at the time of such appointment to an allowance of \$150 for uniforms."

SEC. 7. Section 5 of the Army Aviation Cadet Act of June 3, 1941, is hereby amended to read as follows:

"SEC. 5. Aviation cadets who are undergoing courses of instruction which require them to participate regularly and frequently in aerial flights shall be issued insurance in the amount of \$10,000 under the National Service Life Insurance Act of 1940 (54 Stat. 1008), as amended, except that the premiums shall be paid by the Government. Upon being commissioned as second lieutenants or appointed as flight officers and until permanently relieved from duty involving participation in regular and frequent aerial flights, the insurance provided for aviation cadets or aviation students under this or other existing law shall continue but the premiums shall be deducted from the pay of the individual concerned and paid, as the Secretary of War may direct, to the Administrator of Veterans' Affairs. Upon being permanently relieved from duty involving participation in regular and frequent aerial flights, release from active duty, or discharge, the insurance of aviation cadets, flight officers,

See sec. 602  
(d) (2) of  
Public, No.  
801, 76th  
Cong., Oct. 8,  
1940, as  
amended by  
Public, No.  
749, 77th  
Cong., Oct. 17,  
1942, and see  
Public, No. 453  
78th Cong.,  
Sept. 30, 1944.

and officers may be continued at the option and at the expense of the individual concerned."

SEC. 8. This Act may be cited as the "Flight Officer Act."

Approved, July 8, 1942.

[Section 5—Insurance]

[PUBLIC LAW 698—77TH CONGRESS]

[CHAPTER 547—2D SESSION]

[H. R. 7364]

AN ACT

To repeal certain laws and to amend other laws relating to naval aviation cadets, to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Naval Aviation Cadet Act of 1942".

SEC. 2. There shall be in the Naval Reserve and Marine Corps Reserve the special enlisted grade of aviation cadet.

SEC. 3. Male citizens of the United States may be enlisted as aviation cadets in the Naval Reserve and Marine Corps Reserve under such regulations as the Secretary of the Navy may prescribe. Transfers may be made to the grade of aviation cadet from other ratings and grades of the Naval Reserve and Marine Corps Reserve. Each aviation cadet shall sign an agreement with the consent of his parent or guardian if he be a minor, to serve for a continuous period of not more than four years on active duty unless sooner released. Any aviation cadet may be discharged, released from active duty, or transferred to any other enlisted rating or grade in the Naval Reserve or Marine Corps Reserve under such regulations as the Secretary of the Navy may prescribe.

SEC. 4. The pay of aviation cadets while on active duty shall be at the rate of \$75 per month, which pay shall include extra pay for flying. To each aviation cadet when not subsisted at Government expense, there shall be paid, in addition, a money allowance for subsistence of \$1 per day, and he shall, while on active duty, be furnished quarters, medical care, and hospitalization, and shall be issued uniforms, clothing, and equipment at Government expense. Aviation cadets while so serving shall not be entitled to receive any additional pay for longevity. When traveling under orders, aviation cadets shall receive transportation and other necessary expenses incident to such travel or cash in lieu thereof, as is then prescribed for enlisted men of the Navy.

SEC. 5. Aviation cadets will be issued Government life insurance in the amount of \$10,000, effective from the date of reporting for active duty, and premiums on such insurance shall be paid during the period of their active duty from current appropriations as provided in section 13 of this Act. Upon discharge, release from active duty, or other termination of aviation cadet status, such insurance may be continued at the option and at the expense of the individual concerned. When aviation cadets are commissioned pursuant to this Act such Government life insurance shall be continued but the premiums thereon shall be deducted from the pay of the officers so insured and paid as the Secretary of the Navy may direct to the Administrator of Veterans' Affairs. When such commissioned officers are released from active duty or discharged, the insurance may be continued at the option and at the expense of the individual concerned.

See sec. 602  
(d) (2) of  
Public, No. 801,  
76th Cong.,  
Oct. 8, 1940,  
as amended by  
Public, No. 749,  
77th Cong.,  
Oct. 17, 1942.

SEC. 6. Aviation cadets or their beneficiaries shall be entitled to the same allowances, pensions, gratuities, or other benefits as are now or may hereafter be provided by law or regulation for enlisted men of the fourth pay grade.

SEC. 7. Aviation cadets who fulfill the requirements of law for designation or appointment as naval aviators may be commissioned ensigns in the Naval Reserve or second lieutenants in the Marine Corps Reserve: *Provided*, That only those aviation cadets so commissioned and so designated or appointed shall be deemed to have been commissioned pursuant to this Act.

SEC. 8. All members of a class of aviation cadets completing training at approximately the same time shall be deemed, for all purposes of this Act, to have commenced their commissioned service on the same date. The decision of the Secretary of the Navy in this regard shall be conclusive for all purposes.

SEC. 9. Ensigns or second lieutenants commissioned pursuant to this Act or to the Naval Aviation Reserve Act of 1939 (53 Stat. 819), may after three years of active duty as such, and if found qualified after such examinations as the Secretary of the Navy may prescribe, be commissioned lieutenants, junior grade, in the Naval Reserve or first lieutenants in the Marine Corps Reserve, respectively.

SEC. 10. In time of peace officers commissioned pursuant to this Act or to the Naval Aviation Reserve Act of 1939 (53 Stat. 819) may be employed on active duty only during the seven-year period next following the date of such commissioning, except that such officers may be ordered to active duty thereafter for the purpose of instructing and training members of the Naval Reserve and Marine Corps Reserve.

SEC. 11. When first commissioned pursuant to this Act officers shall be paid a uniform allowance of \$150: *Provided*, That any officer who has heretofore received the cash uniform gratuity of \$150 provided in section 302 of the Naval Reserve Act of 1938 (52 Stat. 1180) shall not be entitled to this uniform allowance.

SEC. 12. When officers commissioned pursuant to this Act or to the Naval Aviation Reserve Act of 1939 (53 Stat. 819) are released from active duty that has been continuous for one or more years, they, or in the event of the death of such officers after continuous active duty for one or more years, the beneficiaries specially designated in the manner prescribed by the Secretary of the Navy, shall be paid a lump sum of \$500 for each complete year of continuous commissioned active service, and in the event of their death not the result of their own misconduct, or if released from active duty otherwise than upon their own request or as a result of disciplinary action, this lump sum payment shall be prorated for fractional parts of each year of such service: *Provided*, That the lump sum payments authorized herein shall accrue for not more than seven years and shall be in addition to any pay, allowance, compensation, or benefits which they may otherwise be entitled to receive: *Provided further*, That the provisions of this section, except those of the first proviso hereof, may be suspended during war or national emergency when the President shall so direct, as to all officers who were formerly enlisted in the grade of aviation cadet or transferred to that enlisted grade more than thirty days after the date of approval of this Act.

SEC. 13. The pay and allowances of aviation cadets of the Naval Reserve and Marine Corps Reserve and the premiums on their life insurance shall be paid from the current appropriations "Naval Reserve" and "Pay, Marine Corps", respectively. The pay and allowances of officers commissioned pursuant to this Act or to the Naval Aviation Reserve Act of 1939 (53 Stat. 819), while serving on continuous active duty next following the date of such commissioning, shall be paid from appropriations "Pay, subsistence, and transportation of naval personnel" and "Pay, Marine Corps", except for those officers ordered to active duty pursuant to authority contained in the exception in section 10 of this Act, the pay and allowances of which officers shall be paid from appropriations for "Naval Reserve" and "Pay, Marine Corps."

SEC. 14. No back pay or allowances shall be deemed to have accrued under the provisions of this Act prior to its enactment: *Provided*, That aviation cadets previously appointed by the Secretary of the Navy, as distinguished from aviation cadets enlisted under the provisions of this Act, shall continue to serve under such appointments until commissioned or discharged from the naval service,

and the active service of such aviation cadets shall be considered as commissioned service for the purpose of computing increases in pay of commissioned officers on account of length of service.

SEC. 15. (a) The Act of April 15, 1935 (49 Stat. 156), as amended, is hereby repealed.

(b) The Naval Aviation Reserve Act of 1939 (53 Stat. 819), as amended, is hereby repealed.

(c) Section 6 of the Naval Aviation Personnel Act of 1940 (54 Stat. 865), is hereby repealed.

(d) The Act approved June 24, 1941 (Public Law 128, Seventy-seventh Congress, first session), is hereby repealed.

(e) Section 5 of the Naval Reserve Act of 1938 (52 Stat. 1176), as amended by section 12 (d) of the Naval Aviation Reserve Act of 1939 (53 Stat. 821), and by section 2 of an Act approved June 24, 1941 (Public Law 128, Seventy-seventh Congress, first session), is hereby amended by deleting therefrom the first proviso thereof, so that such section as hereby amended, shall read:

"SEC. 5. Any member of the Naval Reserve, including those on the honorary retired list created by section 309, title III, of this Act, or who may have been retired, may be ordered to active duty by the Secretary of the Navy in time of war or when in the opinion of the President a national emergency exists and may be required to perform active duty throughout the war or until the national emergency ceases to exist; but in time of peace, except as otherwise provided in this Act, he shall be ordered to or continued on active duty with his own consent only: *Provided*, That the Secretary of the Navy may release any member from active duty either in time of war or in time of peace."

(f) Section 7 of the Naval Reserve Act of 1938 (52 Stat. 1177) is hereby amended by deleting therefrom the first proviso thereof and by changing the words "*Provided further*" immediately following such first proviso to read "*Provided*."

(g) The second sentence of section 305 of the Naval Reserve Act of 1938 (52 Stat. 1182) is hereby amended by deleting therefrom the words "aviation and" so that said sentence as amended shall read: "Warrant officers, merchant marine cadets, and midshipmen shall be appointed to serve during the pleasure of the Secretary of the Navy".

(h) The Act approved November 5, 1941 (Public Law 289, Seventy-seventh Congress), is hereby amended as follows:

Add new section 8 to read as follows:

"SEC. 8. Qualified civilian aviators enlisted in or transferred to pilot ratings in the Naval Reserve or Marine Corps Reserve for brief refresher courses leading to designation as aviation pilot and designated as stu-

dent aviation pilots shall not be considered as having been so designated pursuant to this Act: *Provided*, That the determination of the Secretary of the Navy in this regard shall be conclusive for all purposes."

Add new section 9 to read as follows:

"SEC. 9. This Act may be cited as the 'Naval Reserve Aviation Pilot Act of 1941'."

Approved, August 4, 1942.

[PUBLIC LAW 453—78TH CONGRESS]

[CHAPTER 455—2D SESSION]

[S. 2058]

AN ACT

To liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That any person granted national service life insurance under Public Law 97 and Public Law 99, Seventy-seventh Congress, approved June 3, 1941, shall be deemed to have continued such insurance in force by payment of premiums whether or not such premiums were or were not paid so long as he remains in active military service as a commissioned officer and not permanently relieved from duty involving participation in regular and frequent aerial flights: *Provided*, That any premiums due and unpaid at the death of such person whose insurance is deemed to have been in force under the provisions of this section shall constitute a lien against the proceeds of such insurance.

SEC. 2. \* \* \* \* \*

SEC. 3. Any liability under this amendatory Act shall be chargeable to the National Service Life Insurance appropriation.

Approved September 30, 1944.

[Insurance]

[PUBLIC LAW 118—79TH CONGRESS]

[CHAPTER 225—1ST SESSION]

[H. R. 2949]

AN ACT

To extend five-year-level-premium-term policies for an additional three years

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the five-year-term period under all na-

Incorporated  
in basic Act,  
sec. 602 (s),  
N. S. L. I.

tional service life insurance issued on or before December 31, 1945, and not exchanged or converted prior to that date to a plan other than five-year-level-premium-term insurance is hereby extended for an additional period of three years. The premiums actually chargeable for such additional period shall be the same as during the original five-year period notwithstanding that the premiums due under section 602 (e) of the National Service Life Insurance Act of 1940 are those for a three-year-level-premium-term insurance at the attained age of the insured at the commencement date of such three-year period: *Provided*, That the Administrator of Veterans Affairs is authorized to make such adjustments as he may determine to be proper in reserves and any dividends.

Approved July 2, 1945.

[Section 14—Enlistment in Philippine Scouts—  
Insurance]

[PUBLIC LAW 190—79TH CONGRESS]

[CHAPTER 393—1ST SESSION]

[H. R. 3951]

AN ACT

To stimulate volunteer enlistments in the Regular Military and Naval Establishments of the United States

SEC. 14. The Secretary of War, with the approval of the Philippine Government, is hereby authorized to enlist in the Philippine Scouts, with pay and allowances authorized under existing law, fifty thousand men for service in the Philippine Islands, in the occupation of Japan and of lands now or formerly subject to Japan, and elsewhere in the Far East. Such enlistments shall be for three years unless sooner terminated and citizens of the Philippine Islands shall be eligible to volunteer for such service.<sup>1</sup>

Approved October 6, 1945.

[Title II—Insurance]

[PUBLIC LAW 301—79TH CONGRESS]

[CHAPTER 30—2D SESSION]

[H. R. 5158]

"First Supplemental Surplus Appropriation Rescission Act, 1946"

EXTRACT

Army of the Philippines, \$200,000,000: *Provided*, That service in the organized military forces of the Govern-

<sup>1</sup> See Title II, Pub. No. 391, 79th Cong., May 27, 1946.

ment of the Commonwealth of the Philippines, while such forces were in the service of the armed forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941, shall not be deemed to be or to have been service in the military or naval forces of the United States or any component thereof for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the military or naval forces of the United States or any component thereof, except benefits under (1) the National Service Life Insurance Act of 1940, as amended, under contracts heretofore entered<sup>1</sup> into, and (2) laws administered by the Veterans' Administration providing for the payment of pensions on account of service-connected disability or death: *Provided further*, That such pensions shall be paid at the rate of one Philippine peso for each dollar authorized to be paid under the laws providing for such pensions: *Provided further*, That any payments heretofore made under any such law to or with respect to any member of the military forces of the Government of the Commonwealth of the Philippines who served in the service of the armed forces of the United States shall not be deemed to be invalid by reason of the circumstances that his service was not service in the military or naval forces of the United States or any component thereof within the meaning of such law.

Approved February 18, 1946.

[Title II—Insurance]

[PUBLIC LAW 391—79TH CONGRESS]

[CHAPTER 271—2D SESSION]

[H. R. 5604]

"Second Supplemental Surplus Appropriation Rescission Act, 1946"

EXTRACT

Finance Service, Army, 1942-1946, \$4,704,700, and subappropriations under this head are hereby decreased as follows: (1) expenses of courts martial, \$4,700; (2) apprehension of deserters, \$450,000; (3) Finance Serv-

<sup>1</sup> The military forces of the Commonwealth were called into the armed forces of the United States by the military order approved by the President, July 26, 1941. In an opinion of the Attorney General dated April 27, 1942, it is held that such forces were in the active land and naval forces of the United States and eligible to apply for National Service Life Insurance.

ice, \$4,000,000, and (4) claims for damages due to loss or destruction of property, or personal injury, or death, \$250,000: *Provided*, That of the provisions of law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the armed forces of the United States or any component thereof, only those conferring rights, privileges, or benefits upon persons during the time they are on active duty and those listed below shall, after the date of enactment of this Act, be deemed to apply to persons for service in the Philippine Scouts under the provisions of section 14 of the Act approved October 6, 1945 (Public Law 190, Seventy-ninth Congress):

(1) The provisions of the Act of March 9, 1928 (45 Stat. 251), as amended, relating to funeral expenses;

(2) Provisions of law authorizing the payment to enlisted men of a travel allowance upon discharge;

(3) Provisions of law authorizing retirement and prescribing or governing pay for Philippine Scouts placed on the retired list;

(4) The provisions of the Act of December 17, 1919 (41 Stat. 367), as amended, authorizing the payment of a death gratuity equal to six months' active-duty pay to the dependents of military personnel whose death occurs while on active duty;

(5) The provisions of the Mustering-Out Payment Act of 1944 (Public Law 225, Seventy-eighth Congress), except that for the purpose of computing such payments for service in the Philippine Scouts, service wholly performed in the Philippine Islands shall be compensated for on the same basis as service wholly performed within the United States; and

(6) The provisions of laws administered by the Veterans' Administration providing for the payment of pensions on account of service-connected disability or death:

*Provided further*, That payments made under the provisions of any law referred to in clauses (5) and (6) above shall be paid at the rate of one Philippine peso for each dollar authorized by such law: *And provided further*, That the provisions of the National Service Life Insurance Act of 1940, as amended, shall apply to persons who serve in the Philippine Scouts under the provisions of section 14 of the Act approved October 6, 1945, only insofar as such provisions relate to contracts of insurance heretofore entered into.

Approved May 27, 1946.

## [Section 13—Insurance]

[PUBLIC LAW 729, 79TH CONGRESS]

[S. 2804]

AN ACT

To provide for the training of officers for the naval service, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That a naval and Marine Corps officer candidate training program, supplementary to existing programs, is hereby established, which shall be administered by the Secretary of the Navy in accordance with the provisions of this Act and with such regulations as the President may prescribe.

SEC. 2. No individual shall be enrolled in the training program which this Act establishes unless (a) he be a male citizen of the United States; (b) with the consent of his parent or legal guardian in the case of a minor, he shall have entered into a contractual agreement with the Secretary of the Navy, acting for and on behalf of the United States, in which said individual obligates himself to the United States for such periods as may be necessary to effectuate the purposes of this Act; and (c) he signs an agreement to accept a commission in the Navy or Marine Corps if offered and, having accepted such commission, he will, in the event of termination thereof accept such commission in the Organized Naval or Marine Corps Reserve that may be offered him and thereafter will not resign from the Reserve prior to the sixth anniversary of the date of rank stated in his original commission in the Regular Navy or Marine Corps. The Secretary of the Navy may release any individual from such obligation and separate the individual from the training program at any time that, in the opinion of the Secretary of the Navy, the best interest of the naval service requires such action.

SEC. 3. The Secretary of the Navy is authorized to enroll in the training program—

(a) any person (1) who, on May 1, 1946, was a member of the Naval Reserve Officers' Training Corps or (2) who subsequent to such date may be admitted to such corps and who will not be more than twenty-five years of age on July 1 of the calendar year in which eligible for appointment to commissioned ranks pursuant to subsection 6 (a). Upon enrollment such persons shall be appointed midshipmen in the Naval Reserve.

(b) as a naval aviation officer candidate (1) any high-school graduate or person of equivalent educational level, or any person who has completed satisfactorily less than two scholastic years' work

in an accredited college or university, and who will not be more than twenty-one years and six months of age on July 1 of the calendar year of his appointment as midshipman as hereinafter prescribed, each such candidate shall be enlisted as an apprentice seaman, United States Naval Reserve, and shall, following enrollment, be required to attend such accredited college or university as may be authorized by the Secretary of the Navy as a regular student until he shall have satisfactorily completed not less than two scholastic years of work and in addition shall be required to participate in such military or civil aviation training activities as may be prescribed by the Secretary of the Navy; following the satisfactory completion of such scholastic work and aviation training activities, such candidates shall be appointed midshipmen in the Navy and ordered to duty for flight training; (2) any member of the Naval Reserve Officers' Training Corps who has satisfactorily completed two scholastic years' training in such corps and any other person who shall have satisfactorily completed not less than two scholastic years' work in an accredited college or university, and any enlisted man of the Navy or Marine Corps who shall demonstrate by a test the attainment of an educational level equivalent to that of two scholastic years of work in an accredited college or university; such candidates shall be not more than twenty-one years and six months of age on July 1 of the calendar year of enrollment as an aviation officer candidate and, upon enrollment, shall be appointed midshipmen in the Navy and ordered to duty for flight training.

SEC. 4. Except as otherwise provided in this section, each midshipman appointed pursuant to part (a) of section 3, while continuing in such status, and each apprentice seaman enlisted pursuant to part (b) of section 3, until the completion of scholastic instruction, shall, except while on active duty, receive retainer pay at the rate of \$600 per year and shall, in addition, be entitled to the benefits provided for him by section 10: *Provided*, That such benefits and retainer pay may be received by midshipmen appointed pursuant to part (a) of section 3 for a period not exceeding four academic years. Each midshipman and apprentice seaman enrolled pursuant to this Act shall be entitled to an allowance for (a) initial travel to the college or university in which matriculated, (b) travel while under orders, and (c) travel upon discharge while in a noncommissioned status, in the manner and to the same extent provided for midshipmen at the United States Naval Academy: *Provided further*, That no allowance for travel upon discharge shall be paid if the dis-

chargee continues his scholastic instruction at other than Government expense in the same college or university in which matriculated. While in flight training or on other flight duty midshipmen appointed under part (b) of section 3 shall be entitled to the pay and allowances now or hereafter provided by law for midshipmen under instruction at the United States Naval Academy and to the same percentage increases of their pay as are now or hereafter provided by law for officers of the Navy assigned to duty involving flying, and shall be issued at Government expense necessary uniforms and equipment as directed by the Secretary of the Navy.

SEC. 5. All midshipmen appointed under part (b) of section 3 may, upon satisfactory completion of flight training, be designated naval aviators and assigned to duty involving flying.

SEC. 6. (a) Midshipmen appointed pursuant to section 3 (a) may be commissioned as ensigns in the line of the Navy, second lieutenants in the Marine Corps, or with the rank of ensign in the appropriate commissioned grade in such staff corps of the Navy in which the rank of ensign is now or may hereafter be authorized, following the satisfactory completion of all the academic and naval science requirements of the established four-year Naval Reserve Officers' Training Corps course.

2. Midshipmen appointed pursuant to section 3 (b) may be commissioned as ensigns in the line of the Navy or second lieutenants in the Marine Corps following the satisfactory completion of two years' flight training and flight duty as midshipmen as prescribed in part (b) of section 3 and in section 5.

(b) There may also be commissioned as ensign in the line of the Navy or second lieutenant in the Marine Corps, or with the rank of ensign in the appropriate commissioned grade in such staff corps of the Navy in which the rank of ensign is now or may hereafter be authorized, any male citizen of the United States who is not more than twenty-five years of age on July 1 of the calendar year in which appointed: (1) Who shall have satisfactorily completed a four-year course at an accredited college or university, or (2) who is an enlisted man of the Navy or Marine Corps who shall demonstrate by a test the attainment of an educational level equivalent to that of an individual who has satisfactorily completed a four-year course at an accredited college or university.

(c) Officers commissioned pursuant to this Act in the rank of ensign in a staff corps shall be selected for appointment by a board of commissioned officers of the staff corps concerned.

(d) The date of rank stated in the commissions of officers commissioned in any year pursuant to the fore-

going subsections of this section shall be the date of graduation of midshipmen from the Naval Academy in that year and all ensigns of the line of the Navy and second lieutenants of the Marine Corps of the same date of rank, upon being commissioned, shall have precedence among themselves in such order as may be determined by the Secretary of the Navy to insure that the precedence of the officers shall be in accord with their demonstrated performance regardless of the source from which prescribed, and giving due consideration to whatever differences may exist in the methods of assigning grades between the various education institutions at which the officers have been educated. Each officer commissioned in a staff corps of the Navy pursuant to the foregoing subsections of this section shall, upon being commissioned, have assigned as his running mate such line officer of the same rank and same date of rank as the Secretary of the Navy may determine.

SEC. 7. Any officer commissioned under subsection 1 of subsection 6 (a) or under subsection 6 (b) may, upon his own application, after not less than fifteen months or two years, respectively, of satisfactory service as a commissioned officer, have his commission in the regular service terminated and be commissioned in the Naval Reserve or the Marine Corps Reserve and in the discretion of the Secretary of the Navy, be released from active duty. The date of rank in such commission in a reserve component shall be the same as that of the commission previously held in the regular service.

SEC. 8. The Secretary of the Navy shall in each calendar year cause to be examined (a) the records of all ensigns of the line of the Navy and second lieutenants of the Marine Corps commissioned pursuant to subsection 2 of section 6 (a) who apply for retention in the regular service as permanent officers and who in the then current calendar year will reach the first anniversary of the date of rank stated in their respective commissions, selecting from among such officers the number that he may determine necessary for retention, and (b) the records of all other officers appointed pursuant to this Act who apply for retention in the regular service as permanent officers and who in the then current calendar year will reach the third anniversary of the date of rank stated in their respective commissions, selecting from among such officers the number that he may determine necessary for retention.

SEC. 9. (a) The commission of each officer commissioned pursuant to subsection 2 of section 6 (a) who, prior to June 1 of the calendar year following that in which commissioned, shall not have applied for retention in the regular service and of each officer not selected for retention under clause (a) of section 8 shall be

terminated on June 30 of the appropriate calendar year. Upon termination of commission, each such officer who thereupon accepts appointment to commissioned rank in the Naval or Marine Corps Reserve may apply for and receive retainer pay at the rate of \$100 for each calendar month or part thereof during which, while an officer of the Naval or Marine Corps Reserve, he pursues full-time instruction in an accredited college or university but not to exceed a total of \$2,000, such instruction to commence not later than a date to be determined by the Secretary of the Navy; in addition, each such officer shall be entitled to the benefits provided for him by section 10 of this Act.

(b) The commission of each officer commissioned pursuant to subsection 1 of section 6 (a) and pursuant to section 6 (b) who, prior to June 1 of the third calendar year following that in which commissioned, shall not have applied for retention in the regular service and of each officer not selected for retention under clause (b) of section 8 shall be terminated on June 30 of the appropriate calendar year. Upon termination of commission, each such officer may be commissioned in the Naval or Marine Corps Reserve in the grade of lieutenant (junior grade) or first lieutenant, as the case may be (if in a staff corps, with the rank of lieutenant (junior grade) in the grade appropriate to that rank), and to rank from a date three years after the date of rank stated in his original commission in the Regular Navy or Regular Marine Corps.

SEC. 10. The Secretary of the Navy may provide, by contract or otherwise, for payment of all expenses incident to the administration of this Act, including but not limited to, payment for tuition, fees, books, and laboratory expenses of midshipmen in the Naval Reserve Officers' Training Corps, naval aviation officer candidates, and of officers released under subsection 9 (a) of this Act.

SEC. 11. The Secretary of the Navy may, in his discretion, give to any enlisted man in the naval service or any male citizen who has had active military or naval service such advance standing in any program provided by this Act as the previous education and training of such person justifies.

SEC. 12. The Secretary of the Navy, under such regulations as he may prescribe, may revoke the commission of any officer of the Regular Navy or the Regular Marine Corps who at the date of revocation has had less than six years of continuous service as a commissioned officer, and each officer whose commission is so revoked shall be discharged from the service without advance pay or allowances.

SEC. 13. National service life insurance in the amount of \$10,000, the premiums for which shall be paid at Government expense, shall be issued to the following per-

sons: (a) Apprentice seamen, United States Naval Reserve, enrolled as aviation officer candidates, at the commencement of flight-training activities and until the termination of their status as aviation officer candidates; (b) midshipmen, United States Navy, upon enrollment as aviation officer candidates and until the termination of that status; (c) midshipmen at the United States Naval Academy, at the commencement of flight-training activities and until the termination of their status as midshipmen. Upon being commissioned in the Regular Navy or Marine Corps such persons shall have the option of continuing such insurance at their own expense.

SEC. 14. In the event that the quota of midshipmen authorized by law to be appointed annually to the Naval Academy from (1) enlisted men of the United States Navy and Marine Corps, (2) enlisted men of the Naval Reserve or Marine Corps Reserve, or (3) by the President at large, is not filled, the Secretary of the Navy may fill the vacancies in such quota by appointing other candidates from any other of such sources who were found best qualified on examination for admission into the Academy and not otherwise appointed.

SEC. 15. Each midshipman hereafter appointed to the Naval Academy shall be required to sign an agreement that, in the event of the acceptance of his resignation from a commissioned status in the Regular Navy or Marine Corps prior to the sixth anniversary of his graduation from the Naval Academy, he will accept such commission in the Organized Naval or Marine Corps Reserve to which he may be appointed and will not resign from the Reserve prior to such sixth anniversary.

SEC. 16. The President may appoint annually seventy-five midshipmen to the United States Naval Academy from among the sons of Army, Navy, and Marine Corps personnel.

SEC. 17. There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

SEC. 18. (a) Subsection (a) of section 22 of the Act of March 4, 1925 (43 Stat. 1276), as amended by the Act of February 13, 1945 (Public Law Numbered 1, Seventy-ninth Congress), is hereby further amended by substituting for the words "fourteen thousand" in the last proviso thereof the words "fifteen thousand four hundred".

(b) Of the number of Naval Reserve Officers' Training Corps members authorized by subsection (a) of this section, not more than fourteen thousand shall at any one time be enrolled in the training program established by this Act.

SEC. 19. No person shall be appointed assistant paymaster in the Navy who, on July 1 of the calendar year in which appointed will not be less than twenty-one or

more than twenty-five years of age, nor until his physical, mental, and moral qualifications have been established to the satisfaction of the Secretary of the Navy.

Sec. 20. The following Acts and parts of Acts are hereby repealed:

- (a) Section 2 of the Act of May 6, 1932 (47 Stat. 149).
  - (b) Subsection (a) of section 14 of the Act of June 23, 1938 (52 Stat. 951).
  - (c) Section 307 of the Act of June 25, 1938 (52 Stat. 1182).
  - (d) Sections 2 and 3 of the Act of January 30, 1941 (55 Stat. 4).
  - (e) Section 8 of the Act of February 28, 1925 (43 Stat. 1082).
  - (f) Section 1379 of the Revised Statutes.
- Approved August 13, 1946.

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**[Section 6—Insurance]**

[PUBLIC LAW 704—79TH CONGRESS]

H. R. 4051

Section 6 \* \* \*

(d) (1) Pursuant to regulations prescribed by him, the Administrator of Veterans Affairs is authorized and directed to accept an assignment of a bond issued to the insured under this section, the proceeds of which shall be used in payment of premiums or in payment of the difference in reserve in case of conversion to insurance on another plan or in payment of a policy loan made prior to July 31, 1946, on a United States Government Life Insurance policy or a National Service Life Insurance policy: *Provided*, That such assignment may not be used by the insured directly or indirectly as a means of securing in cash the proceeds of such bond or any portion thereof prior to the date of its maturity or the maturity of such policy by death, whichever is the earlier, and such assignment shall be deemed to constitute an agreement by the insured to this effect.

(2) Any bond assigned under this subsection shall be redeemed at any time, upon presentation to the Secretary of the Treasury, and the proceeds thereof shall be paid and credited to the appropriate fund or appropriation designated by the Administrator.

Approved August 9, 1946.

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