

PROVIDING FOR THE CONTINUATION OF GOVERNMENT LIFE INSURANCE OF AVIATION CADETS SUBSEQUENT TO THEIR BEING COMMISSIONED AND FOR THE CONTINUATION OF SUCH INSURANCE OF ENLISTED PILOTS

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JANUARY 16, 1942.—Ordered to be printed

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Mr. CLARK of Missouri, from the Committee on Finance, submitted the following

## REPORT

[To accompany S. 2180]

The Committee on Finance, to whom was referred the bill (S. 2180) to provide for the continuation of Government life insurance of aviation cadets subsequent to their being commissioned and for the continuation of such insurance of enlisted pilots, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

The purpose of the bill is explained and set out in a letter from the Secretary of War to the chairman of the Senate Committee on Military Affairs under the date of January 6, 1942, which is appended hereto and made a part of this report, reading as follows:

WAR DEPARTMENT,  
January 6, 1942.

Hon. ROBERT R. REYNOLDS,  
*Chairman, Committee on Military Affairs,  
United States Senate.*

DEAR SENATOR REYNOLDS: There is enclosed a draft of a bill to provide for the continuation of Government life insurance of aviation cadets subsequent to their being commissioned and for the continuation of such insurance of enlisted pilots, which the War Department recommends be enacted into law.

The purpose of the proposed legislation is to require that Government life insurance furnished, under Public, Nos. 97 and 99, Seventy-seventh Congress, approved June 3, 1941, to aviation cadets and to enlisted men who are undergoing courses of instruction in flight shall be continued, at the expense of the insured, after his graduation and until he is permanently relieved from duty involving flying. Thereafter, the insured may continue such insurance at his own expense if he so desires. Since it is customary to discharge enlisted aviation students for the convenience of the Government upon successful completion of their course of training and to immediately reenlist them for a 3-year term, a proviso has been inserted to make certain that their insurance will be continued.

## 2 PROVIDE GOVERNMENT LIFE INSURANCE OF AVIATION CADETS

The proposed legislation is designed to correct an unhealthy situation affecting those graduates of the Air Corps training centers who fail to continue their Government life insurance upon completion of their student status. This number approximates 20 percent of such graduates at the present time and will tend to increase as younger students are accepted, who, on account of their youth, will be more apt to neglect their current financial responsibility to dependents or to provide adequately for the future. The highest percentage of casualties occurs in this age group. Indications are that its casualty rate approximates 4 percent compared to a rate of 1 percent for the entire Army.

The financial obligation imposed by the proposed bill is not believed an undue one. The maximum cost to an aviation cadet who has been graduated and has accepted a commission as a second lieutenant in the Air Corps Reserve would be \$6.80 per month or approximately 2.77 percent of \$245.50 which constitutes the amount of his pay and allowances. In the case of an enlisted pilot, the figure would be \$6.50 or approximately 3.96 percent of \$166.50.

Approximately 80 percent of all Air Corps Reserve officers on extended active duty carry Government life insurance and 99.5 percent of all Regular Army Air Corps officers carry either Government or commercial insurance to an average extent of \$20,000.

The proposed bill would not result in any expense to the Government so far as the payment of premiums is concerned.

Similar legislation is in effect at the present time with respect to the Navy (act of June 13, 1939; 53 Stat. 820).

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation for the consideration of the Congress.

Sincerely yours,

HENRY L. STIMSON,  
*Secretary of War.*

For the further information of the Senate there also is appended hereto and made a part of this report a letter from the Administrator of Veterans' Affairs, Veterans' Administration, to the chairman of the Senate Committee on Finance, under the date of January 14, 1942, which reads as follows:

VETERANS' ADMINISTRATION,  
*January 14, 1942.*

Hon. WALTER F. GEORGE,  
*Chairman, Committee on Finance,  
United States Senate, Washington, D. C.*

MY DEAR SENATOR GEORGE: Further reference is made to your letter dated January 8, 1942, requesting a report on S. 2180, Seventy-seventh Congress, a bill to provide for the continuation of Government life insurance of aviation cadets subsequent to their being commissioned and for the continuation of such insurance of enlisted pilots, and for other purposes.

The purpose of the proposed bill is to compel aviation cadets and enlisted pilots to continue to carry the insurance issued to them in accordance with Public Laws 97 and 99, Seventy-seventh Congress, until permanently relieved from duty involving participation in regular and frequent aerial flights, release from active duty, or discharge from service.

The proposed bill is very similar to Public, 129, Seventy-sixth Congress, approved June 13, 1939, which provides that insurance granted to naval aviation cadets shall be continued following the commissioning of such cadets and that premiums therefor be deducted from the pay of the officers concerned during the continuance of active duty.

The proposal to compel any person to carry insurance is in direct conflict with the principles of voluntary insurance, and the Veterans' Administration would not ordinarily favor legislation of this type. However, since the War Department believes that such a policy is necessary, the Veterans' Administration will not raise any objection to the proposal in this instance.

The ability of aviation cadets and enlisted pilots to meet the cost of the maximum protection available under the National Service Life Insurance Act of 1940 can be measured by the War Department much more accurately than by the Veterans' Administration, and perhaps the additional pay granted while participating in regular aerial flights will be sufficient to meet the premium costs even at the higher rates charged on permanent plans into which term insurance must ultimately be changed.

The proposed legislation would result in the continuation in force of the full amount of insurance in the cases affected. This would involve additional expense to the Government under section 607 of the National Service Life Insurance Act of 1940, which requires that the United States bear the excess mortality cost and the cost of premium waivers when death or total disability is traceable to the extra hazards of military or naval service. There would also be some slight additional administrative cost in handling premium accounts and records of insurance which might otherwise be permitted to lapse. The Veterans' Administration has not sufficient data upon which to estimate the cost of the proposed legislation if enacted.

In view of the foregoing the Veterans' Administration has no objection to offer regarding the proposed legislation.

Advice has been received from the Bureau of the Budget that there would be no objection by that office to the submission of this report to your committee.

Very truly yours,

FRANK T. HINES, *Administrator.*

