

VA**U.S. Department
of Veterans Affairs**

News Release

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Washington, D.C. -- Changes in government life insurance programs signed into law by President Clinton on Veterans Day will allow terminally ill veterans to receive accelerated death benefits.

The Veterans Programs Enhancement Act establishes an option for the Department of Veterans Affairs (VA) to pay these benefits under the Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) programs. This option allows terminally ill SGLI and VGLI policyholders to receive up to half of the face value of their coverage, up to a maximum of \$100,000 during their lifetimes.

"This option will greatly improve the quality of the final days of the servicemember's or veteran's life, providing them and their families much-needed finances for medical care and other essentials," said VA Under Secretary for Benefits Joseph Thompson.

Another provision of the legislation authorizes VA to issue dividends to some 1,400 holders of World War II era National Service Life Insurance (NSLI) "H" policies. Holders of more than two million NSLI policies other than "H" already receive dividends.

The "H" policy program was established in 1946 to restore the insurability of veterans who could not meet the requirements of the NSLI program because of injuries they sustained in service. Even though their actual mortality experience has proven better than what was anticipated, the "pay-as-you-go" funding nature of the "H" program has not permitted the payment of dividends. The new plan will allow for the payment of future dividends to "H" policyholders from a reserve established from appropriated funds. The plan also will allow VA to cap the premium rate for policyholders with term insurance, as is done in the parent NSLI "V" program.