

STATEMENT OF
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VETERANS OF FOREIGN WARS OF THE UNITED STATES

FOR THE RECORD

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

WITH RESPECT TO

“Examining VA Benefits: Pension and Fiduciary, and VA Life Insurance Options”

Washington, D.C.

April 21, 2026

Chairman Luttrell, Ranking Member McGarvey, and members of the subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to testify on these vital benefits. These programs provide critical financial security during times of hardship and serve as an essential safety net, particularly for our most vulnerable veterans, service members, and their families.

The Department of Veterans Affairs (VA) administers several life insurance programs that serve active duty service members, veterans, and in certain cases their families. Due to service-connected disabilities, many veterans are either uninsurable in the commercial market or face prohibitively high premiums. In recognition of this reality, VA provides guaranteed acceptance life insurance options that ensure access to coverage regardless of health status.

The VFW supports the creation of Veterans Affairs Life Insurance (VALife) as a significant modernization of VA's life insurance offerings. This program provides guaranteed acceptance whole life coverage of up to \$40,000 available in \$10,000 increments for veterans with service-connected disabilities rated at zero percent or higher. VALife replaced Service-Disabled Veterans Insurance (S-DVI) and does not require proof of good health. There is no time limit to apply for veterans age 80 and under, while those age 81 and older must apply within two years of receiving a new service-connected disability rating. While the program represents meaningful progress in expanding access, the two-year waiting period before full coverage takes effect remains a concern, particularly for veterans facing serious or terminal conditions.

Servicemembers' Group Life Insurance (SGLI) provides low-cost term coverage of up to \$500,000 for eligible service members. Upon separation, most service members receive 120 days of free coverage with an extension of up to two years available for those who are totally disabled. Family Servicemembers' Group Life Insurance (FSGLI) extends coverage to spouses and dependent children, ensuring that military families have access to essential financial protection.

Veterans may convert SGLI coverage to Veterans' Group Life Insurance (VGLI) to maintain continuous coverage after leaving service. However, this conversion is not automatic. Veterans must apply within one year and 120 days of separation. Those who apply within 240 days are not required to provide evidence of good health. After that period, they must provide proof of insurability.

While VGLI offers an important bridge to continued coverage, its premium structure presents a significant challenge. Premiums increase in five-year age bands, resulting in substantial cost escalation over time. In some cases, these premiums may eventually exceed comparable private market options, forcing veterans to choose between affordability and continuity of coverage. Veterans' insurance needs do not always align with rigid enrollment deadlines. Many veterans are navigating the complex transition to civilian life, managing new disabilities, or pursuing VA disability compensation claims. Survivors of military sexual trauma in particular may delay filing claims for years, which can hinder awareness of eligibility for programs such as VALife. Access to life insurance benefits should not be constrained by arbitrary timelines that fail to account for these realities.

To improve these programs, the VFW recommends eliminating or extending the 240-day window for guaranteed VGLI enrollment without requiring evidence of good health, reducing or eliminating waiting periods for programs such as VALife, and modernizing premium structures to mitigate steep age-based increases. Alternative pricing models should be considered to ensure long-term affordability and sustainability for elderly veterans. Also, during Transition Assistance Program briefings, facilitators must emphasize the need for transitioning service members to fully understand the limits of their active duty insurance and take proactive steps to ensure continuous coverage throughout their transition.

Enhanced administrative oversight would also strengthen these programs. Routine audits of beneficiary records and improved data accuracy would help ensure timely and correct payment of claims. Survivors must be able to access benefits quickly and without unnecessary administrative burden, particularly during the immediate period following a veteran's death when financial needs are often most urgent.

In addition to life insurance programs, VA pension benefits serve as a critical safety net for low-income wartime veterans and their survivors. These means-tested benefits are designed to ensure a minimum level of income sufficient to meet basic needs, including housing and health care. However, the complexity of income and net worth determinations continues to create barriers to access. The VFW supports policies that promote clear and transparent income calculations, reasonable asset look-back periods, and consistent guidance regarding unreimbursed medical expenses and net worth thresholds.

Finally, the VFW strongly supports legislation to ensure that survivors receive the full final month of a veteran's pension, regardless of the date of death. This common-sense, modest, but meaningful reform would provide critical financial stability during a time of grief and help families cover immediate end-of-life expenses.

Chairman Luttrell, Ranking Member McGarvey, this concludes my testimony. Thank you for the opportunity to present the VFW's views on these important programs.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any federal grants in Fiscal Year 2026, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.