Union Calendar No.

117th CONGRESS  2d Session

H. R. 8260

[Report No. 117–]

To amend title 38, United States Code, to shorten the timeframe for designation of benefits under Department of Veterans Affairs life insurance programs, to improve the treatment of undisbursed life insurance benefits by the Department of Veterans Affairs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 2022

Mr. Pappas (for himself, Ms. Mace, Mr. Suozzi, Mr. Fitzpatrick, Mr. Grijalva, Mr. Lawson of Florida, Mr. Khanna, Ms. Scanlon, Ms. Newman, Mr. Costa, Mr. Cawthorn, Mr. Garamendi, Miss González-Colón, Mr. Mfven, Ms. Titus, Ms. Bourdeaux, Ms. Strickland, Mr. C. Scott Franklin of Florida, Ms. Kuster, Mr. Rutherford, Mrs. Hayes, Mrs. Kim of California, Mr. Trone, Mr. San Nicolas, Mr. Soto, Mrs. Cherfilus-McCormick, Mr. Buck, Mr. Hudson, Mr. Garbarino, and Mr. Bishop of Georgia) introduced the following bill; which was referred to the Committee on Veterans' Affairs

SEPTEMBER --, 2022

Committed to the Committee of the Whole House on the State of the Union, and ordered to be printed
A BILL

To amend title 38, United States Code, to shorten the time-frame for designation of benefits under Department of Veterans Affairs life insurance programs, to improve the treatment of undisbursed life insurance benefits by the Department of Veterans Affairs, and for other purposes.
Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Faster Payments to
Veterans’ Survivors Act of 2022”.

SEC. 2. TIMEFRAME FOR DESIGNATION OF ALTERNATE
BENEFICIARIES AND PAYMENT OF BENEFITS
UNDER DEPARTMENT OF VETERANS AFFAIRS
LIFE INSURANCE PROGRAMS.

(a) NATIONAL SERVICE LIFE INSURANCE.—Section
1917(f)(1) of title 38, United States Code, is amended—
(1) in subparagraph (A), by striking “two
years” and inserting “one year”; and
(2) in subparagraph (B), by striking “four”
and inserting “two”.

(b) UNITED STATES GOVERNMENT LIFE INSUR-
ANCE.—Section 1952(c)(1) of such title is amended—
(1) in subparagraph (A), by striking “two
years” and inserting “one year”; and
(2) in subparagraph (B), by striking “four”
and inserting “two”.

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply with respect to the death of an
insured person occurring on or after the date that is two
years before the date of the enactment of this Act.
SEC. 3. BENEFICIARY DESIGNATION PROCESS UNDER DEPARTMENT OF VETERANS AFFAIRS LIFE INSURANCE PROGRAMS.

(a) NSLI.—Section 1917 of title 38, United States Code, is amended by striking subsection (a) and inserting the following:

“(a)(1) A person who enrolls in insurance maturing on or after August 1, 1946, may designate a beneficiary of the insurance policy. The insured 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.

“(2) If a person enrolled in insurance maturing on or after August 1, 1946, does not designate a beneficiary under paragraph (1) before the veteran dies, or if a designated beneficiary predeceases the veteran, the Secretary shall determine the beneficiary in the following order:

“(A) The surviving spouse of the insured person.

“(B) The children of the insured person and descendants of deceased children by representation.

“(C) The parents of the insured person or the survivors of the parents.

“(D) The duly appointed executor or administrator of the estate of the insured person.
“(E) Other next of kin of the insured person entitled under the laws of domicile of the insured person at the time of the death of the insured person.”.

(b) USGLI.—

(1) IN GENERAL.—Section 1949 of such title is amended to read as follows:

“§ 1949. Beneficiaries

“(a) DESIGNATION.—A person who enrolls in United States Government life insurance may designate a beneficiary of the insurance policy. Subject to regulations, the insured person shall at all times have the right to change the beneficiary or beneficiaries of a United States Government life insurance policy without the consent of such beneficiary or beneficiaries.

“(b) DETERMINATION IN CASES OF NON-DESIGNATION.—If a person enrolled in United States Government life insurance does not designate a beneficiary under subsection (a) before the insured person dies, or if a designated beneficiary predeceases the insured person, the Secretary shall determine the beneficiary in the following order:

“(1) The surviving spouse of the insured person.
“(2) The children of the insured person and de-
scendants of deceased children by representation.

“(3) The parents of the insured person or the
survivors of the parents.

“(4) The duly appointed executor or adminis-
trator of the estate of the insured person.

“(5) Other next of kin of the insured person en-
titled under the laws of domicile of the insured per-
son at the time of the death of the insured person.”.

(2) CLERICAL AMENDMENT.—The table of sec-
tions at the beginning of chapter 19 of such title is
amended by striking the item relating to section
1949 and inserting the following new item:

“1949. Beneficiaries.”.

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply with respect to the death of an
insured person occurring on or after the date that is two
years before the date of the enactment of this Act.

SEC. 4. DEPARTMENT OF VETERANS AFFAIRS IMPROVE-
MENT OF TREATMENT OF UNDISBURSED
LIFE INSURANCE BENEFITS.

(a) IMPROVEMENT OF PROCESSES.—The Secretary
of Veterans Affairs shall improve the processes and proce-
dures of the Department of Veterans Affairs with respect
to identifying, locating, and paying hard-to-find bene-
ficiaries of life insurance policies issued under chapter 19 of title 38, United States Code, including by—

(1) improving the search tools available on the website of the Department;

(2) conducting outreach to veterans, veterans service organizations, and the general public with respect to such search tools;

(3) improving the processes for searching for information relating to potential recipients through internal Department sources and sources available through other Federal agencies, State government agencies, and non-government entities; and

(4) ensuring the Department has sufficient dedicated staff whose primary responsibilities are identifying, locating, and paying hard-to-find beneficiaries, with the goal of disbursing by not later than two years after the date of the enactment of this Act, all funds that, as of the date of the enactment of this Act, are owed to a beneficiary of a life insurance policy issued under chapter 19 of title 38, United States Code.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Veterans Affairs should work with interagency partners to determine the types of records, reports, and other materials that may be required
to identify, locate, and disburse undisbursed life insurance
benefits to hard-to-find beneficiaries.

(c) REPORT.—Not later than 180 days after the date
of the enactment of this Act, the Secretary shall submit
to the Committees on Veterans’ Affairs of the Senate and
House of Representatives a report on the progress of the
Secretary in carrying out this section.

(d) UNDISBURSED FUNDS DEFINED.—The term
“undisbursed life insurance benefits”—

(1) means any amount of money that is owed
to a beneficiary of a life insurance policy issued
under chapter 19 of title 38, United States Code,
and that has not been disbursed for a period of two
years or longer; and

(2) does not include any amount of money
that—

(A) has not been disbursed due to a con-
tested claim; or

(B) is in dispute by two or more parties
over who is the entitled beneficiary.