(3) Merchandise specified in this subparagraph, howsoever processed, if such merchandise is or has been located in or transported from or through Hong Kong, Macao, or any country not in the authorized trade territory.

Type of Merchandise

Agar-agar.
Bamboo:
  Bags, baskets and other manufactures, excluding furniture.
  Poles and sticks.
Brocades and brocade articles.
Camphor, natural and synthetic.
Camphor oil, natural and synthetic.
Cane webbing.
Carpet wool.
Carpets.
Castor bean.
Castor oil.
Chinaware, other than Dresdenware and Meissenware.
Citronella oil.
Cotton manufactures.
Cotton waste.
Earthenware.
Embroideries and embroidered articles.
Hair, animal.
Hair nets, regardless of the material from which made.
Handkerchiefs.
Hardwood manufactures, including furniture other than bentwood furniture.
Hats, paper.
Hides, buffalo, including India water buffalo.
Ivory manufactures.
Lace and lace articles.
Linen manufactures, excluding wearing apparel other than wearing apparel made in whole or in part of brocade, embroidery or lace.
Ores and metals:
  Antimony.
  Bismuth.
  Quicksilver.
  Molybdenum.
  Tin.
  Tungsten.
Peanuts and peanut products.
Ramie.
Rugs.
Seagrass and straw manufactures, excluding floor covering.
Sesame, oil and seed.
Shoes, leather-soled with non-leather uppers, except ladies' high-heel shoes.
Silk:
  Raw and manufactures other than Western style suits and Indian saris.
  Waste.
Skins, deer and goat.
Stones, semiprecious and manufactures thereof, including jewelry.
Tapestries, including needlework tapestries.
Tapioca, including tapioca flour.

(4) Merchandise specified in this subparagraph, howsoever processed, if such merchandise is or has been located in or transported from or through Hong Kong or Macao.

Type of Merchandise

Edible marine products.
Feather manufactures.
Glass, sheet (window).
Graphite.
Honey.
Poultry, including pigeons, frozen or otherwise prepared or preserved.

(Sec. 5, 40 Stat. 415, as amended; 50 U. S. C. App. 5, E. O. 9193, July 6, 1942, 7 F. R. 5205; 3 CFR, 1943 Cum. Supp. E. O. 9989, Aug. 20, 1948, 13 F. R. 4891; 3 CFR, 1948 Supp.)

[SEAL] T. G. UPTON,
Acting Secretary of the Treasury.

[F. R. Doc. 58-10579; Filed, Dec. 31, 1958; 8:45 a. m.]

Title 32—NATIONAL DEFENSE

Chapter V—Department of the Army

SUBCHAPTER A—AID OF CIVIL AUTHORITIES AND PUBLIC RELATIONS

PART 513—ASSISTANCE OF CREDITOR BY DEPARTMENT OF THE ARMY

Private Indebtedness of Army Personnel

Section 513.1 is revised to read as follows:

§ 513.1 Private indebtedness and financial obligations.

(a) The Department of the Army does not condone an attitude of irresponsibility or evasiveness by its personnel toward their private indebtedness or financial obligations. Members of the Army are expected to discharge their private indebtedness and financial obligations in an honorable manner. The Department of the Army is without legal authority directly to require a member to pay a private debt, or to divert any part of his pay in satisfaction thereof, even though the indebtedness may have been reduced to a judgment of a civil court. The enforcement of the private obligations of persons in the military service is a matter for civil authorities. Army commanders will give careful consideration to the public relations aspect involved in private indebtedness and financial obligations, as well as to indoctrinating members of their commands in the individual's responsibility with respect to private obligations.

(b) Commanding officers will not tolerate actions of irresponsibility, gross carelessness, neglect, dishonesty, or evasiveness in the private indebtedness and financial obligations of their personnel. Normally, it is not difficult to distinguish between an honest denial of an obligation and a dishonest or irresponsible evasion thereof. A claim based upon a judgment, order, or decree of a court which appears valid on its face, should ordinarily be accepted by the commanding officer as prima facie evidence of the financial obligation established thereby. Such a judgment, however, may be rebutted by other evidence, such as a conflicting decree of another civil court. If, after consideration of all factors, a commanding officer believes that a member of his command has dishonorably failed to pay his just debts, disciplinary action may be initiated (Articles 133 and 134, Uniform Code of Military Justice (64 Stat. 142), and paragraph 213b, Manual for Courts-Martial 1951, (E. O. 10214, February 8, 1951, 3 CFR, 1951 Supp.)).

(c) Complaints of civil indebtedness or financial obligations received at any echelon of the Department of the Army superior to the immediate command of the member concerned will be forwarded through proper channels to the immediate commanding officer of such member for action as outlined in paragraph (d) of this section. Each communication will be acknowledged by the command receiving the complaint and the writer informed of the referral of his letter.

(d) Upon receipt of a communication from any echelon of the Department of the Army superior to the immediate command of the member concerned, or directly from the complainant, concerning a member's failure to satisfy his private indebtedness or financial obligations, the appropriate procedure set forth below will be followed:

(1) If upon receipt of the communication it appears that the complainant has not made reasonable efforts to collect directly from a member, inform the complainant that action by the military authorities will be deferred until such time as it appears that the complainant has made such efforts.

(2) If upon receipt of the communication there appears to be evidence showing a reasonable effort to collect directly from the member, the organizational commander will discuss the matter with the member concerned. If the obligation is admitted by the member, the commanding officer will insure that reply is made promptly to the complainant indicating the member's intentions regarding payment. If the obligation or the amount is disputed or denied by the member, the commanding officer, in his discretion, may require either or both parties to submit any necessary documents or other pertinent evidence. When the commanding officer believes that the matter justifiably is controversial, he will make reply directly to the complainant advising that it is the established policy of the Department of the Army that a disputed debt is a matter to be settled by the civil courts. When complaints of a member's repeated failure to satisfy private indebtedness or financial obligations are received, the commanding officer will take appropriate followup action with a view to assisting the member in complying with previous arrangements. The complainant will be requested to address any further correspondence deemed necessary direct to the member concerned or to his commanding officer.

(3) Complaints received after a service member has been reassigned will be forwarded to his current organization if the latest assignment is available. Complaints received after a service member has departed on orders for oversea duty or on orders to return to Continental United States, and whose current organization is not known, will be forwarded to the commanding officer of the appropriate oversea replacement station or returnee-reassignment station. All complaints in the above categories will be acknowledged and the complainant will be advised:

(i) Of the service member's leave address when applicable.

(ii) That service member will be in transient status for 30 to 90 days (or the approximate number of days normally required in each individual case) prior to reaching his new duty station.

(iii) That further correspondence concerning the indebtedness should be addressed to the commanding officer of the unit of the service member, if known; if the unit of the service member is not known, the complainant will be advised of the due date and the address to which correspondence should be sent.

(e) The provisions of paragraphs (a) to (d) of this section do not apply in the case of retired personnel not on active duty. Complaints of civil indebtedness or financial obligations should be replied to by a statement that any action in connection with civil indebtedness or financial obligations of retired personnel not on active duty, is outside the responsibility of the Army and that the command regrets that it cannot be of assistance in the matter.

[AR 600-10, December 19, 1958] (Sec. 3012, 70A Stat. 157; 10 U. S. C. 3012)

[SEAL] BRUCE EASLEY,
Major General, U. S. Army,
Acting The Adjutant General.

[F. R. Doc. 58-10769; Filed, Dec. 31, 1958; 8:45 a. m.]

Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration

PART 3—VETERANS CLAIMS

Adjustment of Disability Compensation Rates

A new § 3.1529 is added as follows:

§ 3.1529 Title 38, United States Code, section 315, adjustment of disability compensation rates.

(a) Title 38 U. S. C. 315 (a) (2) provides that the amounts payable because of dependents shall be adjusted upward or downward to the nearest dollar, counting 50 cents and over as a whole dollar.

(b) Section 10, Public Law 85-857, states in part "Any individual receiving benefits as a veteran, or as the widow, child, or parent of a veteran, under public laws administered by the Veterans' Administration on December 31, 1958, shall, as long as entitlement under such laws continues, receive benefits under the corresponding provisions of Title 38, United States Code, thereafter, or benefits at the rate payable under such public laws, whichever will result in the greater benefit being paid to the individual * * *."

(c) By virtue of 38 U. S. C. 315, effective January 1, 1959, the additional amount payable for dependency will be rounded to the nearest dollar with each group of dependents rounded separately (two parents are to be treated as two groups). This result will then be added to the basic rate of compensation to arrive at the total amount of compensation payable.

(d) Section 10, Public Law 85-857, provides protection for those veterans in receipt of a greater amount of award on the day prior to the effective date of Title 38, United States Code, and these awards will not be reduced solely because of the enactment of this code. This protection is accorded to the amount of award payable to the veteran on the effective date of Title 38, United States Code, and does not preclude the reduction of an award by a downward adjustment subsequent to January 1, 1959, where there is a change in the veteran's status resulting from amended rating action or a change in dependency status; including instances where the award was written prior to January 1, 1959, but involving change in status after that date.

(e) If in the course of any subsequent review of the case for any reason, it is determined that the automatic adjustment to a higher rate was erroneously made, an amended award will be made to show the correct rate payable, as of the date of last payment.

(f) Section 2, Public Law 85-857 provides "Except as otherwise provided in this act, this act shall take effect on January 1, 1959". The effective date of awards will be in accordance with the provisions of controlling Veterans Administration regulations: *Provided*, That in no event will benefits under the cited act be awarded for any period prior to January 1, 1959. In new claims filed on or after January 1, 1959, the new rate will be effective the date of award. (Instruction 1, Title 38, U. S. C., section 315, Public Law 85-857.)

(72 Stat. 1114; 38 U. S. C. 210)

This regulation is effective January 1, 1959.

[SEAL] BRADFORD MORSE,
Deputy Administrator.

[F. R. Doc. 58-10793; Filed, Dec. 31, 1958; 8:48 a. m.]

PART 6—UNITED STATES GOVERNMENT LIFE INSURANCE

PART 8—NATIONAL SERVICE LIFE INSURANCE

Miscellaneous Amendments

1. In Part 6, paragraph (c) of § 6.62 is amended to read as follows:

§ 6.62 Assignment, claims of creditors and taxation. * * *

(c) The exemption shall apply against the United States or any agency thereof: *Provided*, That except as to dividends being held to the credit of the insured for the payment of premiums under the provisions of section 746 of Title 38, United States Code, the United States shall be entitled to collect by setoff or otherwise out of benefits, payable to any beneficiary under a United States Government life insurance policy, the amount of any indebtedness due the United States by such beneficiary because of overpayments or illegal payments made to such beneficiary under laws administered by the Veterans Administration: *Provided further*, That in the settlement of any claim under a United States Government life insurance policy, the United States shall be entitled to deduct the amount of unpaid premiums or loans, or interest on such premiums or loans; or indebtedness arising from overpayments of dividends, refunds, loans, or other insurance benefits; or any other indebtedness existing under the particular insurance contract.

2. In § 6.95, the former unnumbered text is amended and designated paragraph (a) and new paragraphs (b) through (g) are added to read as follows:

§ 6.95 How paid.

(a) A United States Government life insurance policy, except as hereinafter provided in this section, shall participate in and receive such dividends from gains and savings as may be determined by the Administrator of Veterans Affairs: *Provided*, That United States Government life insurance on which premiums are waived in whole or in part under the provisions of section 622 of the National Service Life Insurance Act, as amended, or section 724 of Title 38, United States Code, shall not be entitled to dividends for the period during which such premium waiver is in effect. Regular annual dividends becoming payable on or after December 31, 1958, shall be payable on the date preceding the anniversary of the policy unless the Administrator shall declare them payable on some other date.

(b) Unless and until the Veterans Administration receives a written request from the insured that United States Government life insurance regular annual dividends be paid in cash, or that they be placed on deposit or be used to pay premiums in advance, or that they be used to pay the premiums on a particular policy or policies, any such dividends shall be held to the credit of the insured to be applied to pay monthly premiums becoming due and unpaid after the date such dividends are payable on any United States Government life insurance policy or policies held by the insured: *Provided*, That such dividend credits will be applied as of the due date of any unpaid premium. Dividend credits will earn interest at such rate and in such manner as the Administrator may determine.

(c) In the event premiums on more than one policy having the same premium due date are unpaid and the dividend credit of the insured for application to payment of premiums is not sufficient to keep all policies in force, in the absence of instructions to the contrary by the insured, such dividend credit will be applied to pay premiums in such manner as will provide the maximum amount of insurance protection.

(d) At the expiration of any term period, dividend credit of the insured held for payment of premiums will be applied to pay the required premium for renewal of term insurance unless the insured requests otherwise in writing prior to the expiration of the term period.

(e) A request for payment of dividends in cash or for other disposition will be effective as of the date the request is delivered to the Veterans Administration: If forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery; if forwarded through military channels by the insured while in military service, the date the request is placed in military channels will be accepted as the date of delivery. Unless otherwise stipulated by the insured, such request will remain in force until revoked in writing signed by the insured and delivered to the Veterans Administration.

(f) Dividend credit of the insured held for payment of premiums as provided in section 746 of Title 38, United States Code, may not be used to satisfy any indebtedness due the United States without the insured's consent. If the insured requests payment of such dividend credit, or any unused portion thereof, in cash, or requests that such credit be left to accumulate on deposit, as provided in paragraph (g) of this section, then any indebtedness due the United States, such as described in § 6.62 will be recovered therefrom.

(g) At the written request of the insured, United States Government life insurance regular annual dividends may be left to accumulate on deposit at interest which will be credited annually at such rate as the Administrator may determine, but a rate never less than 3½ percent: *Provided*, That the policy is in force on a basis other than extended term insurance or 5-year level premium term insurance. Dividend credit of the insured held for payment of premiums or dividends left to accumulate on deposit may be applied to the payment of premiums in advance upon written request of the insured made before default in payment of a premium. Dividends on deposit under the provisions of this paragraph will be used in addition to the reserve on the policy for the purpose of computing the period of extended term insurance or the amount of paid-up insurance as provided in §§ 6.105 and 6.110, respectively. Any dividend credit of a person who no longer has insurance in force by payment or waiver of premiums will be paid in cash to such person. Upon maturity of the policy, any dividend on deposit, any unpaid dividend payable in cash, and any dividend credit accruing from such policy which cannot be used to pay premiums as provided in section 746 of Title 38, United States Code, will be paid to the person currently entitled to receive payments under the policy. If the policy is not in force at death, any such unpaid dividends and dividend credits will be paid to the insured's estate.

3. In § 6.105, paragraph (a) is amended to read as follows:

§ 6.105 Provision for extended term insurance.

(a) After the expiration of the first policy year and upon default in the payment of a premium within the grace period, if a United States Government life insurance policy on any plan other than 5-year level premium term has not been surrendered for cash or for paid-up insurance, the policy shall be extended automatically as term insurance for an amount of insurance equal to the face value of the policy less any indebtedness for such time from the due date of the premium in default as the cash value less any indebtedness will purchase when applied as a net single premium at the attained age of the insured. For this purpose the attained age is the age on the birthday anniversary nearest to the effective date of the policy plus the number of years and months from that date to the date the extended term insurance becomes effective. The extended term insurance shall be with right to dividends and with right to total permanent disability benefits. The number of monthly installments payable upon due proof of total permanent disability or death of the insured under such extended term insurance will be the same as would then be payable under the policy. The extended term insurance shall not have a loan value, but shall have a cash value.

4. Section 6.177 is revoked:

§ 6.177 Dividends; 5-year level premium term policy.

[Revoked.]

(72 Stat. 1114; 38 U. S. C. 210)

5. In Part 8, paragraphs (e) (1), (ii), and (iii) and (f) of § 8.0 are amended to read as follows:

§ 8.0 Eligibility. * * *

(e) *Applications for insurance under section 620 of the National Service Life Insurance Act, as amended, and section 722 (a) of Title 38, United States Code.* (1) Any person who is released from active military, naval, or air service (as that term is defined in section 101 of Title 38, United States Code), under other than dishonorable conditions, on or after April 25, 1951, shall be granted National Service life insurance as provided in § 8.111 upon compliance with the following conditions:

* * * * *

(ii) Proof, satisfactory to the Administrator, that the applicant is suffering from a service-connected disability (or disabilities) for which compensation is or would be payable, if 10 per centum or more in degree and except for which such person would be insurable according to the standards of good health established by the Administrator (§ 8.1).

(iii) Written application for such insurance must be submitted within 1 year from the date service connection of such disability is first determined by the Veterans Administration by a rating made subsequent to discharge: *Provided*, That if the applicant is shown by evidence satisfactory to the Administrator to have been mentally incompetent during any part of the 1-year period, application under this paragraph may be filed within 1 year after a guardian is appointed or within 1 year after the removal of such mental incompetency as determined by the Administrator, whichever is the earlier date. If a guardian was appointed or the removal of such disability occurred before January 1, 1959, application under this paragraph may be made within 1 year after that date.

* * * * *

(f) *Application for insurance issued under section 621 of the National Service Life Insurance Act, as amended.* Insurance heretofore issued under section 621 of the National Service Life Insurance Act is subject to the provisions of § 8.112 (a) and (c). No National Service life insurance shall be granted to any person under such section on or after January 1, 1957, unless prior to such date an acceptable application accompanied by proper and valid remittances or authorizations for payment of premiums (1) was received by the Veterans Administration, (2) was placed in the mails properly directed to the Veterans Administration, or (3) was delivered to an authorized representative of any of the uniformed services.

6. In § 8.2, the headnote of paragraph (c), and paragraph (c) (1) and (2) (iii) are amended to read as follows:

§ 8.2 Effective date. * * *

(c) *Effective date of insurance applied for under section 620 of the National Service Life Insurance Act and section 722 (a) of Title 38, United States Code.* (1) The effective date of National Service life insurance issued under the provisions of section 620 of the National Service Life Insurance Act, as amended or section 722 (a) of Title 38, United States Code, shall not be established in any event prior to April 25, 1951, nor prior to the date of entry into active service.

(2) * * *

(iii) The introductory text and subdivisions (i) and (ii) of this subparagraph shall not apply to applications for insurance under said section 620 or section 722 (a) of Title 38, United States Code, which are made on or after January 1, 1957.

7. Section 8.3 is revised to read as follows:

§ 8.3 Premium rates.

National Service life insurance is granted at the premium rate for the age nearest birthday anniversary of the applicant at the time the policy becomes effective. The premium rates for National Service life insurance, except as hereinafter provided in this section, are based on the American Experience Table of Mortality with interest at the rate of 3 per centum per annum. The premium rates for insurance issued under sections 620 and 621 of the National Service Life Insurance Act, as amended, and section 722 (a) of Title 38, United States Code, are based on the Commissioners 1941 Standard Ordinary Table of Mortality with interest at the rate of 2¼ per centum per annum. The premium rates for permanent plan insurance or limited convertible term insurance issued pursuant to section 723 (b) of Title 38, United States Code, are based on table X–18 (1950–54 Intercompany Table of Mortality) with interest at the rate of 2½ per centum per annum.

8. Section 8.5 is revised to read as follows:

§ 8.5 Due date of premiums.

Premiums on National Service life insurance are due and payable monthly in advance in legal tender of the United States of America to the Veterans Administration in the city of Washington, District of Columbia, or any field station of the Veterans Administration authorized to accept premiums. Premiums may be paid annually, semiannually, or quarterly, in advance, in which case the premium payable will be the sum of the monthly premiums for the period discounted at 3 per centum per annum, except that premiums on insurance issued under sections 620 and 621 of the National Service Life Insurance Act, as amended, and section 722 (a) of Title 38, United States Code, shall be discounted at 2¼ per centum per annum and premiums on insurance issued under section 723 (b) of Title 38, United States Code, shall be discounted at 2½ per centum per annum. The discounted premiums for these periods are stated on the first page of the policy. At maturity the discounted value of the premiums paid in advance beyond the current month shall be refunded to the beneficiary. If any premium be not paid when due, the policy shall cease and become void except as otherwise provided.

9. In § 8.26, paragraph (a) is amended to read as follows:

§ 8.26 **How paid.**

(a) A National Service life insurance policy, except as hereinafter provided in this section, shall participate in and receive such dividends from gains and savings as may be determined by the Administrator of Veterans Affairs: *Provided,* That insurance issued under the provisions of sections 620 and 621 of the National Service Life Insurance Act, as amended, and sections 722 (a) and 723 (b) of Title 38, United States Code, shall not be entitled to dividends, and insurance on which premiums are waived, in whole or in part, under the provisions of section 622 of the National Service Life Insurance Act, as amended, and section 724 of Title 38, United States Code, shall not be entitled to dividends for the period during which such premium waiver is in effect: *Provided further,* That insurance on which the requirements of good health have been waived under the provisions of section 602 (c) (2) of the National Service Life Insurance Act, as amended, at the time of issue or reinstatement of such insurance shall not be entitled to dividends. Dividends becoming payable after January 1, 1952, shall be payable on the date preceding the anniversary of the policy unless the Administrator shall declare them payable on some other date.

10. In § 8.27, the headnote of paragraph (a) and paragraph (b) are amended, and a new paragraph (c) is added to read as follows:

§ 8.27 **Cash value.**

(a) *Cash value on National Service life insurance other than insurance issued under section 620 of the National Service Life Insurance Act, as amended, and sections 722 (a) and 723 (b) of Title 38, United States Code.* * * *

(b) *Cash value on insurance issued under the provisions of section 620 of the National Service Life Insurance Act, as amended, and section 722 (a) of Title 38, United States Code.* Provisions for cash value, paid-up insurance, and extended term insurance, except as provided in § 8.29 (b), shall become effective at the completion of the first policy year on any plan of National Service life insurance other than the 5-year level premium term plan; all values on such insurance, reserves, and net single premiums being based on the Commissioners 1941 Standard Ordinary Table of Mortality, with interest at the rate of 2¼ per centum per annum. The cash value at the end of the first policy year and at the end of any policy year thereafter, for which premiums have been paid in full, shall be the reserve. For each month after the first policy year for which month a premium has been paid or waived, the reserve at the end of the preceding policy year shall be increased by one-twelfth of the increase in reserve for the current policy year. Upon written request therefor and upon complete surrender of the insurance with all claims thereunder, the United States will pay to the insured the cash value of the policy less any indebtedness, provided the policy has been in force by payment or waiver of premiums for at least 1 year. A surrender will be deemed completed on the date the check for the cash value is mailed to the insured's last known address of record: *Provided,* That the application has not been revoked, or the policy has not matured on or prior to said date: *Provided further,* That if the insurance is surrendered pursuant to section 5 of the Servicemen's Indemnity Act of 1951, the surrender shall be effective as of date written request therefor is delivered to the Veterans Administration. If forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery. If forwarded through military channels, the date the request is placed in military channels will be taken as the date of delivery. The provisions of the "Net Cash Value" clause in National Service life insurance policies are hereby amended accordingly.

(c) *Cash value on insurance issued under the provisions of section 723 (b) of Title 38, United States Code.* Provisions for cash value, paid-up insurance, and extended term insurance, except as provided in § 8.29 (b), shall become effective at the completion of the first policy year on any plan of National Service life insurance other than the limited convertible five-year level premium term plan; all values on such insurance, reserves, and net single premiums being based on Table X-18 (1950-54 Intercompany Table of Mortality) with interest at the rate of 2½ per centum per annum. The cash value at the end of the first policy year and at the end of any policy year thereafter, for which premiums have been paid in full, shall be the reserve. For each month after the first policy year for which month a premium has been paid or waived, the reserve at the end of the preceding policy year shall be increased by one-twelfth of the increase in reserve for the current policy year. Upon written request therefor and upon complete surrender of the insurance with all claims thereunder, the United States will pay to the insured the cash value of the policy less any indebtedness, provided the policy has been in force by payment or waiver of premiums for at least 1 year. A surrender will be deemed completed on the date the check for the cash value is mailed to the insured's last known address of record: *Provided,* That the application has not been revoked, or the policy has not matured on or prior to said date.

11. In § 8.28, the headnote and paragraph (a) are amended to read as follows:

§ 8.28 **Policy loan; other than 5-year level premium term and limited convertible 5-year level premium term policies.**

(a) At any time after the expiration of the first policy year and before default in payment of any subsequent premium, and upon the execution of a loan agreement satisfactory to the Administrator, the United States will lend to the insured on the security of his National Service life insurance policy, on any plan other than 5-year level premium term, or limited convertible 5-year level premium term, any amount which will not exceed 94 percent of the reserve, and any indebtedness on the policy shall be deducted from the amount advanced on such loan. Except as prescribed in paragraph (b) of this section, the loan shall bear interest at the rate of 5 per centum per annum, payable annually; and, at any time before default in the payment of the premium, the loan may be repaid in full or in amounts of $5 or more. Failure to pay either the amount of the loan or the interest thereon shall not avoid the policy unless the total indebtedness shall equal or exceed the cash value thereof. When the amount of the indebtedness equals or exceeds the cash value, the policy shall cease and become void.

12. Sections 8.29 and 8.30 are revised to read as follows:

§ 8.29 **Provision for extended term insurance; other than 5-year level premium term or limited convertible 5-year level premium term policies.**

(a) After the expiration of the first policy year and upon default in the payment of a premium within the grace period, if a National Service life insurance policy on any plan other than 5-year level premium term or limited convertible 5-year level premium term has not been surrendered for cash or for paid-up insurance, the policy shall be extended automatically as term insurance for an amount of insurance equal to the face value of the policy less any indebtedness for such time from the due date of the premium in default as the cash value less any indebtedness will purchase when applied as a net single premium at the attained age of the insured. For this purpose the attained age is the age on the birthday anniversary nearest to the effective date of the policy plus the number of years and months from that date to the date the extended term insurance becomes effective. The extended term insurance shall not have a loan value, but shall have a cash value.

(b) Upon default in payment of a premium within the grace period and after the effective date of this paragraph on any plan of National Service life insurance other than 5-year level premium term or limited convertible 5-year level premium term if the policy has been in force by payment or waiver of the premiums for not less than 3 months nor more than 11 months, the policy shall be extended automatically as term insurance for an amount of insurance equal to the face value of the policy less any indebtedness for such time from the due date of the premium in default as the reserve of the policy less any indebtedness will purchase when applied as a net single premium at the attained age of the insured. For this purpose the attained age is the age on the birthday anniversary nearest to the effective date of the policy plus the number of months from that date to the date extended term insurance becomes effective. Extended term insurance under this provision shall not have a cash or loan value. This paragraph shall be effective from and after August 2, 1948.

§ 8.30 Provision for paid-up insurance: other than 5-year level premium term or limited convertible 5-year level premium term policies.

If a National Service life insurance policy on any plan other than 5-year level premium term or limited convertible 5-year level premium term has not been surrendered for cash, upon written request of the insured and complete surrender of the insurance with all claims thereunder, after the expiration of the first policy year and while the policy is in force under premium-paying conditions, the United States will issue paid-up insurance for such amount as the cash value less any indebtedness will purchase when applied as a net single premium at the attained age of the insured. For this purpose the attained age is the age on the birthday anniversary nearest to the effective date of the policy plus the number of years and months from that date to the date the paid-up insurance becomes effective. Such paid-up insurance will be effective as of the expiration of the period for which premiums have been paid and earned; and, any premiums paid in advance for months subsequent to that in which the application for paid-up insurance is made shall be refunded to the insured. The paid-up insurance shall be with right to dividends, except insurance issued or reinstated under the provisions of section 602 (c) (2) of the National Service Life Insurance Act of 1940, as amended, where the requirements of good health have been waived, and insurance issued under the provisions of section 620 of the National Service Life Insurance Act, as amended, and sections 722 (a) and 723 (b) of Title 38, United States Code. The insured may at any time surrender the paid-up policy for its cash value or obtain a loan on such paid-up insurance.

13. Section 8.32, 8.33, and 8.34 are revised to read as follows:

§ 8.32 Plans of National Service life insurance.

Subject to the conditions stated in §§ 8.33 and 8.34, National Service life insurance on the 5-year level premium term plan or limited convertible 5-year level premium term plan, may be converted to the following permanent plans of insurance: Ordinary life, 20-payment life, 30-payment life, 20-year endowment, endowment at age 60, and endowment at age 65. Subject to the conditions stated in § 8.34a National Service life insurance on the 5-year level premium term plan issued under section 621 of the National Service Life Insurance Act, as amended, may be exchanged for limited convertible 5-year level premium term insurance.

§ 8.33 Conversion of a 5-year level premium term policy or limited convertible term policy as of a current effective date.

National Service life insurance on the level premium term plan which is in force may be exchanged, effective as of the date any premium becomes due within the term period, for insurance of the same amount, on any of the permanent plans specified in § 8.32. The permanent plan insurance will be issued on the same reserve basis as the term insurance for which it was exchanged except that term insurance issued under section 621 of the National Service Life Insurance Act, as amended, shall be exchanged for permanent plan insurance issued pursuant to § 8.112 (b) and (c). The insured will be required to file written application and pay (except where premium waiver under section 602 (n) of the National Service Life Insurance Act, as amended, or section 712 of Title 38, United States Code, is effective) the current monthly premium at the attained age of the insured for the plan of insurance selected: *Provided*, That where premium waiver is effective under section 622 of the National Service Life Insurance Act, as amended, or section 724 of Title 38, United States Code, that portion of the current monthly premium at the attained age of the insured for the plan of insurance selected which is not required for the pure insurance risk must be paid. The reserve (if any) on the policy will be allowed as a credit on the current monthly premium except where premium waiver is effective. Conversion to an endowment plan may not be made while the insured is totally disabled. The exchange will be made without medical examination, except when deemed necessary to determine whether an applicant for conversion to an endowment plan is totally disabled, and upon complete surrender of the term insurance while in force by payment or waiver of premiums.

§ 8.34 Conversion of a 5-year level premium term policy or limited convertible term policy as of a date prior to the current month.

National Service life insurance on the level premium term plan which is in force may be exchanged, effective as of the date any premium has become due within the term period, for insurance of the same amount, on any of the permanent plans specified in § 8.32. The permanent plan insurance will be issued on the same reserve basis as the term insurance for which it was exchanged except that term insurance issued under section 621 of the National Service Life Insurance Act, as amended, shall be exchanged for permanent plan insurance issued pursuant to § 8.112 (b) and (c). The insured will be required to file written application, pay the difference between the reserve on the new policy and the reserve on the old policy and pay (except where premium waiver under section 602 (n) of the National Service Life Insurance Act, as amended, or section 712 of Title 38, United States Code, is effective) the current monthly premium at the attained age of the insured as of the effective date of the new policy: *Provided*, That where premium waiver is effective under section 622 of the National Service Life Insurance Act, as amended, or section 724 of Title 38, United States Code, the required reserve on the new policy must be paid together with that portion of the current monthly premium at the attained age of the insured as of the effective date of the new policy which is not required for pure insurance risk. Conversion to an endowment plan may not be made while the insured is totally disabled. The exchange will be made without medical examination, except when deemed necessary to determine whether an applicant for conversion to an endowment plan is totally disabled, and upon complete surrender of the term insurance while in force by payment or waiver of premiums: *Provided*, That waiver of the premiums on the new policy shall not be effective prior to the date such policy change was made.

14. A new § 8.34a is added to read as follows:

§ 8.34a Exchange of 5-year level premium term insurance issued under section 621 of the National Service Life Insurance Act, as amended, for limited convertible 5-year level premium term insurance as of a current effective date.

Effective January 1, 1959, 5-year level premium term insurance issued under section 621 of the National Service Life Insurance Act, as amended, which is in force may be exchanged for limited convertible 5-year level premium term insurance issued pursuant to § 8.112 (b) and (c): *Provided*, That after September 1, 1960, such exchange may not be made after the insured's fiftieth birthday. The exchange may be for insurance of the same amount and will be effective as of the last monthly premium due date prior to the date an acceptable application for exchange is mailed or otherwise delivered to the Veterans Administration except where such application is mailed or otherwise delivered on the premium due date, then in such case that date will be the effective date: *Provided*, That in no event shall the exchange be effective prior to the premium due date in January 1959. The insured will be required to file written application and pay the current monthly premium at his attained age for the limited convertible term insurance except where premium waiver under sections 602 (n) or 622 of the National Service Life Insurance Act, as amended, or sections 712 or 724 of Title 38, United States Code, is effective. The reserve (if any) on the policy will be allowed as a credit for the payment of premiums, except where premium waiver is effective, and such reserve shall not be subject to withdrawal by the insured. The exchange will be made without medical examination and upon complete surrender, while in force by payment or waiver of premiums, of the insurance being exchanged.

15. Sections 8.35, 8.36, and 8.40 are revised to read as follows:

§ 8.35 **Exchange to a policy bearing the same effective date and having a higher reserve value.**

If the insured be not totally disabled, National Service life insurance on any plan other than 5-year level premium term or limited convertible 5-year level premium term may be changed to insurance of the same amount, as of the same date, and based on the same age, on any plan of National Service life insurance on the same reserve basis, having a higher reserve value, upon payment by the insured of the difference between the reserve on the new policy and the reserve on the old policy. Such exchange will be made without medical examination, except when deemed necessary to determine whether the insured be totally disabled, and upon complete surrender while in force by payment of premiums, of the insurance being exchanged.

§ 8.36 **Exchange to a policy bearing the same effective date and having a lower reserve value.**

National Service life insurance may be exchanged for insurance of the same amount, bearing the same date, and based on the same age, on any plan of National Service life insurance on the same reserve basis, having a lower reserve value except to the 5-year level premium term or limited convertible 5-year level premium term plan: *Provided*, The applicant is in good health at the time of application and furnishes evidence thereof satisfactory to the Administrator upon such forms as the Administrator shall prescribe, or otherwise as he shall require. The old insurance must be in force under premium paying conditions and must be surrendered with all rights and claims thereunder. The difference between the reserve on the old policy and the reserve on the new policy, less any indebtedness, may be used to cover payment of future premiums or withdrawn in cash at the option of the insured. If the old policy has been in force for less than 12 months, the difference in reserve may be used only for the purpose of paying future premiums on the insurance, and such premiums shall not be subject to withdrawal by the insured prior to the expiration of the first policy year.

§ 8.40 **Requirements for waiver of premiums under section 602 (n) of the National Service Life Insurance Act, as amended, and section 712 of Title 38, United States Code.**

Upon written application by the insured, payment of premiums may be waived during the continuous total disability of the insured which continues or has continued for six or more consecutive months, provided such disability commenced (a) subsequent to date of application for insurance, (b) while the insurance was in force under premium-paying conditions, and (c) prior to the insured's 60th birthday: *Provided*, This section shall not apply to any premium waiver authorized under subsection 602 (d) (3) of the National Service Life Insurance Act, as amended: *Provided further*, That waiver of premiums under this section shall not be denied on permanent plans of insurance issued or reinstated pursuant to section 5 of the Servicemen's Indemnity Act of 1951, section 623 of the National Service Life Insurance Act, or section 781 of Title 38, United States Code, because the total disability of the insured commenced prior to the date of his application for insurance or for reinstatement thereof; nor shall waiver of premiums under this section be denied on insurance issued under section 620 of the National Service Life Insurance Act, as amended, or section 722 (a) of Title 38, United States Code, because the service-connected disability of the insured became total in degree prior to the effective date of such insurance. The insured shall be required to furnish proof satisfactory to the Administrator showing continuous total disability for at least 6 consecutive months and may be denied benefits for failure to cooperate: *Provided further*, That in the event of death of the insured without filing application for waiver, such application may be filed by the beneficiary with evidence of the insured's right to waiver under the conditions of this section on or before August 1, 1947, or within 1 year after death of the insured, whichever is the later; or, if the beneficiary be insane or a minor, such beneficiary may file application for waiver with evidence of the insured's right to waiver under the conditions of this section within 1 year after removal of such legal disability: *Provided further*, That where an insured meets the requirements of this section, waiver of premiums hereunder on his National Service life insurance shall not be denied for the reason that premiums on such insurance are or have been waived under section 622 of the National Service Life Insurance Act, as amended, or section 724 of Title 38, United States Code.

16. In § 8.41, paragraphs (a) and (b) are amended to read as follows:

§ 8.41 **Effective date of premium waiver.**

(a) Upon written application of the insured waiver of premiums may be granted effective as of the date 6 months' continuous total disability commenced, but, except as hereafter provided in this paragraph, waiver in such cases shall not be effective as to any premium which became due more than 1 year prior to receipt of such application in the Veterans Administration: *Provided*, That the Administrator may grant waiver of premiums in excess of such 1-year period in any case in which he finds that the insured's failure to submit timely application or satisfactory evidence to show the existence or continuance of total disability was due to circumstances beyond the insured's control: *Provided further*, That upon written application of the insured made on or before August 1, 1947, the Administrator shall grant waiver of any premium which became due not more than 5 years prior to August 1, 1946, if otherwise authorized under the provisions of section 602 (n) of the National Service Life Insurance Act, as amended: *Provided further*, That on permanent plans of National Service life insurance issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951, section 623 of the National Service Life Insurance Act, or section 781 of Title 38, United States Code, and on insurance issued under section 620 of the National Service Life Insurance Act, as amended, or section 722 (a) of Title 38, United States Code, waiver of premiums shall not be effective prior to the premium due date in the month in which application for insurance is made or the effective date of such insurance, whichever is the later date: *Provided further*, That on permanent plans of National Service life insurance reinstated pursuant to said section 5, section 623, or section 781 waiver of premiums shall not be effective prior to the effective date of reinstatement of such insurance.

(b) Upon written application of the beneficiary as provided in § 8.40, waiver of premiums may be granted effective as of the date 6 months' continuous total disability commenced, but, except as hereafter provided in this paragraph, waiver in such cases shall not be effective as to any premium which became due more than 1 year prior to the date of insured's death: *Provided*, That the Administrator may grant waiver of premiums in excess of such 1-year period in any case in which he finds that the insured's failure to submit timely application or satisfactory evidence to show the existence or continuance of total disability was due to circumstances beyond the insured's control: *Provided further*, That upon written application of the beneficiary made on or before August 1, 1947, or within 1 year of the date of the insured's death where death occurred on or before August 1, 1947, the Administrator shall grant waiver of any premium which became due not more than 5 years prior to August 1, 1946, if otherwise authorized under the provisions of section 602 (n) of the National Service Life Insurance Act, as amended: *Provided further*, That on permanent plans of National Service life insurance issued pursuant to section 5 of the Servicemen's Indemnity Act of 1951, section 623 of the National Service Life Insurance Act, or section 781 of Title 38, United States Code, and on insurance issued under section 620 of the National Service Life Insurance Act, as amended, or section 722 (a) of Title 38, United States Code, waiver of premiums shall not be effective prior to the premium due date in the month in which application for insurance is made or the effective date of such insurance, whichever is the later date: *Provided further*, That on permanent plans of National Service life insurance reinstated pursuant to said section 5, section 623, or section 781 waiver of premiums shall not be effective prior to the effective date of reinstatement of such insurance.

17. Section 8.76 is revised to read as follows:

§ 8.76 **Selection and revocation of option.**

The insured under a National Service life insurance policy may, during his lifetime, make his selection of the optional settlement set forth in § 8.79, § 8.80 or § 8.80c, whichever is applicable, but such selection shall not be valid unless and until notice thereof is received in the Veterans Administration. The insured may select a different optional settlement for the contingent beneficiary from that selected for the principal beneficiary, but, if the principal beneficiary entitled to settlement in one sum survives the insured or if the principal beneficiary not entitled to settlement in one sum survives the insured and received any payment, the option selected for the contingent beneficiary shall have no force or effect, except as provided below in this section: That where the insured has selected a lump-sum settlement for the contingent beneficiary, and the principal beneficiary, not entitled to settlement in one sum, dies after payment has commenced but before all installments certain have been paid, the present value of the remaining unpaid installments certain shall be paid to the contingent beneficiary in one sum, unless such contingent beneficiary elects to continue to receive the remaining unpaid installments certain as they become due and payable. The insured may, during his lifetime, revoke his selection of the optional settlement, but the revocation shall not be valid unless and until notice thereof is received in the Veterans Administration.

18. In § 8.77, paragraph (a) (4) and (5) is amended to read as follows:

§ 8.77 Election of optional settlement by beneficiary.

(a) *Insurance maturing on or after August 1, 1946.* * * *

(4) Settlement under option 4 is not available to any beneficiary who is 69 or more years of age at the time of the death of the insured: *Provided*, That on insurance issued under section 620 or 621 of the National Service Life Insurance Act, as amended, or section 722 (a) of Title 38, United States Code, option 4 is not available if a male beneficiary is 78 or more years of age or if a female beneficiary is 80 or more years of age at the time of death of the insured: *Provided further*, That on insurance issued under section 723 (b) of Title 38, United States Code, option 4 is not available if a male beneficiary is 77 or more years of age or if a female beneficiary is 79 or more years of age at the time of death of the insured.

(5) If the option selected by the insured or the designated beneficiary requires payment to any one beneficiary of monthly installments of less than $10, the amount payable to such beneficiary shall be paid under option 2 in such maximum number of monthly installments as are a multiple of 12 and will provide a monthly installment of not less than $10. (See §§ 8.80a, 8.80b, and 8.80d.)

19. In § 8.80, the headnote and the introductory paragraph preceding option 1 are amended to read as follows:

§ 8.80 Optional settlements on insurance issued under the provisions of section 620 or 621 of the National Service Life Insurance Act, as amended, and section 722 (a) of Title 38, United States Code.

The optional settlements under a National Service life insurance policy issued under the provisions of section 620 or 621 of the National Service Life Insurance Act, as amended, and section 722 (a) of Title 38, United States Code, are as follows:

20. The headnote of § 8.80b is amended to read as follows:

§ 8.80b Payment to a beneficiary where the monthly installment of insurance, issued under the provisions of section 620 or 621 of the National Service Life Insurance Act, as amended, or section 722 (a) of Title 38, United States Code, is less than $10 under the option selected.

21. New §§ 8.80c and 8.80d are added to read as follows:

§ 8.80c Optional settlements on insurance issued under the provisions of section 723 (b) of Title 38, United States Code.

The optional settlements under a National Service life insurance policy issued under the provisions of section 723 (b) of Title 38, United States Code, are as follows:

Option 1; insurance payable in one sum. Settlement under this option will be made only when selected by the insured. When such election has been made, the face amount (less any indebtedness) will be payable in one sum upon the death of the insured.

Option 2; insurance payable in elected installments. The installments noted below will be payable for an agreed number of months (not less than 36) to the designated beneficiary, but, if the designated beneficiary dies before the agreed number of monthly installments have been paid, the remaining unpaid monthly installments will be payable as provided in § 8.89, 8.90, or 8.91, whichever may be applicable.

OPTION 2

Number of monthly installments	Amount of each monthly installment	Number of monthly installments	Amount of each monthly installment
36	$28.79	144	$8.02
48	21.86	156	7.49
60	17.70	168	7.03
72	14.93	180	6.64
84	12.95	192	6.30
96	11.47	204	6.00
108	10.32	216	5.73
120	9.39	228	5.49
132	8.64	240	5.27

Option 3; insurance payable in installments throughout life. The monthly installments noted below will be payable throughout the lifetime of the designated beneficiary, but, if such beneficiary dies before 120 of such installments have been paid, the remaining unpaid monthly installments will be payable as provided in § 8.89, § 8.90, or § 8.91, whichever may be applicable.

OPTION 3

Age of beneficiary at date of death of insured	Amount of each monthly installment per $1,000 of insurance payable to original beneficiary	
	Male	Female
10 and under	$2.64	$2.54
11	2.66	2.56
12	2.67	2.57
13	2.69	2.59
14	2.71	2.61
15	2.73	2.62
16	2.75	2.64
17	2.78	2.66
18	2.80	2.68
19	2.82	2.70
20	2.85	2.72
21	2.87	2.74
22	2.90	2.76
23	2.93	2.78
24	2.96	2.80
25	2.99	2.83
26	3.02	2.85
27	3.05	2.88
28	3.09	2.91
29	3.12	2.94
30	3.16	2.97
31	3.20	3.00
32	3.24	3.03
33	3.28	3.06
34	3.33	3.10
35	3.38	3.14
36	3.43	3.17
37	3.48	3.21
38	3.53	3.26
39	3.59	3.30
40	3.65	3.35
41	3.71	3.39
42	3.78	3.44
43	3.85	3.50
44	3.92	3.55
45	3.99	3.61
46	4.07	3.67
47	4.15	3.74
48	4.23	3.80
49	4.32	3.87
50	4.41	3.95
51	4.51	4.03
52	4.61	4.11
53	4.71	4.19
54	4.81	4.29
55	4.93	4.38
56	5.04	4.48
57	5.16	4.59
58	5.29	4.70
59	5.42	4.82
60	5.56	4.95
61	5.70	5.08
62	5.85	5.22
63	6.00	5.36
64	6.16	5.52
65	6.32	5.68
66	6.49	5.84
67	6.66	6.02
68	6.84	6.20
69	7.02	6.38
70	7.20	6.58
71	7.38	6.77
72	7.56	6.97
73	7.74	7.18
74	7.91	7.38
75	8.08	7.58
76	8.25	7.78
77	8.40	7.98
78	8.55	8.17
79	8.68	8.34
80	8.80	8.51
81	8.91	8.66
82	9.01	8.80
83	9.09	8.92
84	9.16	9.03
85	9.22	9.12
86	9.26	9.19
87	9.30	9.25
88	9.33	9.29
89	9.35	9.33
90	9.37	9.35
91	9.38	9.37
92	9.38	9.38
93 and over	9.39	9.39

Option 4; refund life income. The amount of the installments noted below will be payable monthly throughout the lifetime of the designated beneficiary, but, if such beneficiary dies before payment of the number of installments certain noted below, the remaining unpaid 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, will be payable as provided in § 8.89, 8.90, or 8.91, whichever may be applicable. The law does not authorize settlement under this option in any case in which less than 120 installments may be paid; if a male beneficiary is 77 or more years of age at the time of the death of the insured, payment will be made as provided in option 3; if a female beneficiary is 79 or more years of age at the time of the death of the insured, payment will be made as provided in option 3.

OPTION 4

(Beneficiaries of any age up to and including 76 for a male beneficiary and 78 for a female beneficiary: Payable for life of first beneficiary with number of installments stated below guaranteed.)

Age of beneficiary at date of death of insured	Male beneficiary		Female beneficiary	
	Number of guaranteed monthly installments	Amount of each monthly installment per $1,000 insurance payable to original beneficiary	Number of guaranteed monthly installments	Amount of each monthly installment per $1,000 insurance payable to original beneficiary
10 and under	382	$2.62	396	$2.53
11	379	2.64	393	2.55
12	376	2.66	391	2.56
13	374	2.68	388	2.58
14	372	2.69	387	2.59
15	370	2.71	384	2.61
16	367	2.73	381	2.63
17	364	2.75	379	2.64
18	360	2.78	376	2.66
19	358	2.80	374	2.68
20	355	2.82	371	2.70
21	351	2.85	368	2.72
22	349	2.87	365	2.74
23	345	2.90	363	2.76
24	343	2.92	360	2.78
25	339	2.95	356	2.81
26	336	2.98	354	2.83
27	333	3.01	351	2.85
28	329	3.04	348	2.88
29	326	3.07	344	2.91
30	322	3.11	342	2.93
31	319	3.14	338	2.96
32	315	3.18	335	2.99
33	312	3.21	332	3.02
34	308	3.25	328	3.05
35	304	3.29	324	3.09
36	300	3.34	321	3.12
37	296	3.38	317	3.16
38	293	3.42	313	3.20
39	289	3.47	310	3.23
40	285	3.52	305	3.28
41	281	3.57	302	3.32
42	276	3.63	298	3.36
43	272	3.68	294	3.41
44	268	3.74	290	3.46
45	264	3.80	285	3.51
46	260	3.86	281	3.56
47	256	3.92	277	3.62
48	251	3.99	273	3.67
49	247	4.06	269	3.73
50	242	4.14	264	3.80
51	238	4.21	260	3.86
52	234	4.29	255	3.93
53	229	4.38	250	4.01
54	225	4.46	246	4.08
55	220	4.56	241	4.16
56	216	4.65	236	4.25
57	211	4.75	231	4.34
58	206	4.86	226	4.43
59	202	4.97	221	4.53
60	197	5.09	216	4.63
61	192	5.21	211	4.74
62	188	5.34	206	4.86
63	183	5.47	201	4.98
64	178	5.62	196	5.11
65	174	5.77	191	5.25
66	169	5.93	186	5.39
67	164	6.10	181	5.54
68	160	6.28	176	5.70
69	155	6.47	171	5.88
70	150	6.67	166	6.06
71	146	6.88	160	6.25
72	141	7.11	155	6.46
73	137	7.35	150	6.68
74	132	7.60	145	6.92
75	128	7.87	140	7.16
76	123	8.16	135	7.43
77	[1]	[1]	130	7.71
78	[1]	[1]	125	8.02
79	[1]	[1]	[1]	[1]

[1] For higher ages use installment given under Option 3.

§ 8.80d Payment to a beneficiary where the monthly installment of insurance, issued under the provisions of section 723 (b) of Title 38, United States Code, is less than $10 under the option selected.

Where payment is to be made in 12 or 24 monthly installments (see § 8.77 (a) (5)), the amount of each monthly installment will be paid in accordance with the following table:

Number of monthly installments:	*Amount of each monthly installment per $1,000 insurance payable*
12	$84.24
24	42.66

22. The centerhead "Renewal of 5-Year Level Premium Term Insurance" immediately following § 8.84 is amended to read "Renewal of Term Insurance".

23. In § 8.85, the headnote, paragraph (a), and that portion of paragraph (b) preceding subparagraph (1) are amended, and a new paragraph (c) is added to read as follows:

§ 8.85 Renewal of National Service life insurance on the 5-year level premium term plan and limited convertible 5-year level premium term plan.

(a) Effective July 23, 1953, except as provided in paragraph (c) of this section, all or any part of National Service life insurance on the 5-year level premium term plan or limited convertible 5-year level premium term plan, in any multiple of $500 and not less than $1,000, which is not lapsed at the expiration of any 5-year term period, shall be automatically renewed without application or medical examination for a successive 5-year period at the applicable level premium term rate for the then attained age of the insured: *Provided*, That in any case in which the insured is shown by evidence satisfactory to the Administrator to be totally disabled at the expiration of the term period of his insurance under conditions which would entitle him to continued insurance protection but for such expiration, such insurance, if subject to renewal under this paragraph, shall be automatically renewed for an additional period of 5 years at the premium rate for the then attained age. The renewal of insurance for any successive 5-year period will become effective as of the day following the expiration of the preceding term period, and the premium for such renewal will be at the applicable level premium term rate for the attained age of the policyholder on that day: *Provided further*, That no insurance is subject to renewal if the policyholder has exercised his optional right to change to another plan of insurance.

(b) Except as provided in paragraph (c) of this section, a 5-year level premium term policy or limited convertible term policy which lapsed for nonpayment of the premium due for the 59th (95th) or 60th (96th) month and subsequently expired on or after July 23, 1953, while in lapsed status, may be renewed subsequent to the expiration of the old term period provided the insured prior to the expiration of the new term period.

* * * * *

(c) Limited convertible 5-year level premium term insurance issued under the provisions of section 723 (b) of Title 38, United States Code, may not be renewed after the insured's fiftieth birthday.

24. Section 8.88 is revised to read as follows:

§ 8.88 Payment to designated beneficiaries where insurance matures on or after August 1, 1946.

National Service life insurance maturing on or after August 1, 1946, is payable to the designated beneficiary in 36 monthly installments unless one of the optional settlements as provided in § 8.79, § 8.80, or § 8.80c, whichever is applicable, has been selected by the insured or the designated beneficiary. The monthly installments, without interest, which have accrued since the death of the insured (the first installment being due on the date of the death of the insured), and the monthly installments which thereafter are payable in accordance with the option selected, shall be paid to the designated beneficiary or beneficiaries.

25. The centerhead "Insurance Funds Established Under Sections 620 and 621 of the National Service Life Insurance Act, as Amended" immediately following § 8.102 is amended to read "National Service Life Insurance Nonparticipating Funds."

26. Section 8.103 is revised to read as follows:

§ 8.103 Crediting of premiums to and payment of benefits from the Service-Disabled Veterans' Insurance Fund and the Veterans' Special Term Insurance Fund.

(a) All premiums and other collections for insurance issued under the provisions of section 620 of the National Service Life Insurance Act, as amended, or section 722 (a) of Title 38, United States Code, shall be credited directly to a fund in the Treasury of the United States to be known as the Service-Disabled Veterans' Insurance Fund and any payments on such insurance shall be made directly from such fund.

(b) All premiums and other collections for insurance issued under the provisions of section 621 of the National Service Life Insurance Act, as amended, or section 723 (b) of Title 38, United States Code, and any total disability income provision added thereto, shall be credited directly to a fund in the Treasury of the United States to be known as the Veterans' Special Term Insurance Fund and any payments on such insurance and any total disability income provision added thereto shall be made directly from such fund.

27. Sections 8.111 and 8.112 are revised to read as follows:

§ 8.111 National Service life insurance issued under section 620 of the National Service Life Insurance Act, as amended, and section 722 (a) of Title 38, United States Code.

(a) National Service life insurance granted under the provisions of section 620 of the National Service Life Insurance Act, as amended, and section 722 (a) of Title 38, United States Code, shall be issued upon the same terms and conditions as are contained in the standard policies of National Service life insurance, except that (1) the premium rates, cash, loan, paid-up, and extended values shall be based upon the Commissioners 1941 Standard Ordinary Table of Mortality with interest at the rate of 2¼ per centum per annum; (2) all settlements on policies involving annuities shall be calculated on the basis of the annuity table for 1949 with interest at the rate of 2¼ per centum per annum; (3) all such insurance shall be issued on a nonparticipating basis; and (4) waiver of premiums under section 602 (n) of the National Service Life Insurance Act, as amended, or section 712 of Title 38, United States Code, shall not be denied because the service-connected disability of the applicant became total in degree prior to the effective date of such insurance.

(b) National Service life insurance granted under section 620 of the National Service Life Insurance Act, as amended, and section 722 (a) of Title 38, United States Code, shall be on one or more of the following plans: 5-year level premium term, ordinary life, 20-payment life, 30-payment life, 20-year endowment, endowment at age 60, and endowment at age 65: *Provided*, That no insurance shall be issued on an endowment plan if the applicant is totally disabled. Insurance issued under said sections 620 and 722 (a) shall be in an amount of not more than $10,000 nor less than $1,000 in multiples of $500: *Provided*, That no policy may be issued for less than $1,000: *Provided further*, That no person may carry at any one time a combined amount of insurance in force in excess of $10,000 under the War Risk Insurance Act, as amended, the World War Veterans' Act, as amended, the National Service Life Insurance Act, as amended, and chapter 19 of Title 38, United States Code.

§ 8.112 National Service life insurance issued under section 621 of the National Service Life Insurance Act, as amended, and section 723 (b) of Title 38, United States Code.

(a) National Service life insurance granted under the provisions of section 621 of the National Service Life Insurance Act, as amended, shall be issued upon the same terms and conditions as are contained in the standard policies of National Service life insurance on the 5-year level premium term plan, except (1) such insurance may not be exchanged for or converted to insurance on any other plan prior to January 1, 1959; (2) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality with interest at the rate of 2¼ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the basis of the annuity table for 1949, with interest at the rate of 2¼ per centum per annum; and (4) such insurance and any total disability income provision added thereto shall be nonparticipating. National Service life insurance granted under section 621 of the National Service Life Insurance Act shall be in an amount of not more than $10,000 nor less than $1,000 in multiples of $500: *Provided*, That no policy shall be issued for less than $1,000.

(b) Effective January 1, 1959, 5-year level premium term insurance issued under section 621 of the National Service Life Insurance Act, as amended, may be converted to a permanent plan of insurance or exchanged for a policy of limited convertible five-year level premium term insurance issued pursuant to section 723 (b) of Title 38, United States Code. National Service life insurance issued pursuant to such section of the code shall be issued upon the same terms and conditions as are contained in standard policies of National Service life insurance except (1) after September 1, 1960, limited convertible term insurance may not be issued or renewed after the insured's fiftieth birthday; (2) the premium rates, cash, loan, paid-up and extended values shall be based on table X–18 (1950–54 Intercompany Table of Mortality) with interest at the rate of 2½ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the basis of the annuity table for 1949 with interest at the rate of 2½ per centum per annum; (4) such insurance and any total disability income provision added thereto shall be nonparticipating. Insurance issued under section 723 (b) of Title 38, United States Code, shall not be in excess of the amount of insurance in force granted under section 621 of the National Service Life Insurance Act and shall be in multiples of 500 but no policy shall be for less than $1,000.

(c) No person may carry at any one time a combined amount of insurance in force in excess of $10,000 under the War Risk Insurance Act, as amended, the World War Veterans' Act, as amended, the National Service Life Insurance Act, as amended, and chapter 19 of Title 38, United States Code.

28. The centerhead "Premium Waiver Under Section 622 of the National Service Life Insurance Act, as Amended" immediately following § 8.112 is amended to read "Premium Waiver Under Section 622 of the National Service Life Insurance Act, as Amended, and Section 724 of Title 38, United States Code".

29. In § 8.113, the headnote and paragraphs (d), (e), (j), (k), (l), and (m) are amended to read as follows:

§ 8.113 Premium waiver under section 622 of the National Service Life Insurance Act, as amended, and section 724 of Title 38, United States Code. * * *

(d) Premiums tendered on term insurance to cover a period during which waiver is effective under this section shall be refunded without interest. If premiums for the full amount are tendered in payment of permanent plan insurance during a period in which waiver is effective under this section, only that portion of such premiums which represents the cost of pure insurance risk, as determined by the Administrator, shall be refunded, and such refund shall be with interest.

(e) National Service life insurance on the 5-year level premium term plan or limited convertible 5-year level premium term plan shall be automatically renewed for an additional 5-year period at the premium rate for the then attained age of the insured, provided the premiums on such insurance are being waived under this section at the expiration of the term period: *Provided*, That limited convertible term insurance may not be renewed after the insured's fiftieth birthday. The renewal of insurance under this paragraph shall be effective as of the day following the expiration of the preceding term period, and the premium for such renewed insurance will be at the applicable level premium term rate for the attained age of the insured on that day. The premiums on the insurance renewed under this paragraph shall continue to be waived while the insured continues in active service and for 120 days after separation therefrom.

* * * * *

(j) If waiver of premiums is granted under section 602 (n) of the National Service Life Insurance Act, as amended, or section 712 of Title 38, United States Code, while premiums are being waived under this section, waiver under this section will be suspended. If the insured is otherwise entitled, upon termination of waiver under section 602 (n) or section 712, waiver of premiums under this section will be resumed for the remainder of the insured's continuous active service and for 120 days thereafter.

(k) Waiver of premiums under this section shall not include the premiums due and payable on the total disability income provision attached to such National Service life insurance policy.

(l) During any period waiver of premium is effective under this section, the insurance shall be nonparticipating.

(m) A 5-year level premium term or limited convertible term policy on which premiums have been waived under this section during any portion of the term period shall have no reserve value.

(72 Stat. 1114; 38 U.S.C. 210)

[SEAL] BRADFORD MORSE,
Deputy Administrator.

[F. R. Doc. 58-10801; Filed, Dec. 31, 1958; 8:50 a. m.]

Title 44—PUBLIC PROPERTY AND WORKS

Chapter I—General Services Administration

PART 3—FRANKLIN D. ROOSEVELT LIBRARY

Effective January 1, 1959, Part 3 of Title 44, Code of Federal Regulations, is revised to read as follows:

AUTHORITY: §§ 3.0 to 3.53 issued under sec. 205, 63 Stat. 389, as amended; 40 U. S. C. 486. Interpret or apply sec. 507, 64 Stat. 587, as amended; 44 U. S. C. 397.

§ 3.0 Scope.

The provisions of this part apply to the Franklin D. Roosevelt Library.

§ 3.1 Definitions.

As used in this part, unless the context otherwise requires:

(a) The term "Library" means the Franklin D. Roosevelt Library, Hyde Park, New York.

(b) The term "Administrator" means the Administrator of General Services.

(c) The term "Archivist" means the Archivist of the United States.

(d) The term "Director" means the Director of the Franklin D. Roosevelt Library.

(e) The term "historical materials" includes books, correspondence, documents, papers, pamphlets, work of art, models, pictures, photographs, plats, maps, films, motion pictures, sound recordings, and other objects or materials having historical or commemorative value.

§ 3.2 Legal custody.

The Administrator has legal custody of historical material in the Library.

§ 3.3 General conduct.

All persons entering in or upon Library property are subject to the general regulations covering public buildings and grounds issued by the Administrator (Subpart A, Part 100 of this chapter).

§ 3.4 Photography by visitors.

Visitors are permitted to take photographs in the Library without restriction if flash bulbs or other special photo-lighting devices are not used, and the photographs are not intended for commercial use. Persons desiring to take photographs requiring the use of photo-lighting devices, tripods or other elaborate equipment, or for commercial purposes, must obtain special permission from the Director. Applications for such permission should be made to the Director.

AVAILABILITY AND USE OF HISTORICAL MATERIAL

§ 3.10 Application for permission to use historical materials.

Permission to use unrestricted historical materials may be obtained by making advance written application to the Director on a form provided for the purpose, and stating clearly therein the specific subject of the applicant's interest, and the purpose of his study. An applicant must satisfy the Director that he is qualified to do research, and that his proposed study has a serious and useful purpose.

§ 3.11 Admission card.

If the application is approved, a card will be issued permitting the applicant to use in the Research Room those unrestricted historical materials that bear on the subject of the applicant's interest as stated in his application. This card is valid for a period not in excess of one year, but may be renewed on application.

§ 3.12 Withdrawal of admission card.

The card of admission may be withdrawn by the Director for any violation of the provisions of this part, or for disregarding the authority of the supervisor in charge.

§ 3.13 Restricted materials.

In accordance with the provisions of section 507 (f) (3) of the Federal Property and Administrative Services Act of 1949 (44 U. S. C. 397 (f) (3)), materials on which restrictions on availability have been specified in writing by the donors or depositors will be made available subject to the restrictions specified. The following classes of material will not be made available for examination or use:

(a) Materials on which the Archivist has imposed restrictions.

(b) Materials restricted by law or Executive order.

(c) Materials containing information the disclosure of which would be prejudicial to the national interest or security of the United States.

§ 3.14 Hours of admission.

The Research Room will be open from 9 a. m. to 5 p. m. Monday through Friday, Federal legal holidays excepted, and at such other times as the Director may authorize.

RESEARCH ROOM RULES

§ 3.20 Requests for historical materials.

Requests for historical materials must be made to the Research Room supervisor on a form provided for that purpose.

§ 3.21 Researcher's responsibility for historical materials.

When a researcher has completed his use of historical materials or leaves the Research Room other than for short periods of time, he must notify the supervisor. A researcher is responsible for all historical materials delivered to him until they have been returned by him to the supervisor.

§ 3.22 Prevention of damage to historical materials.

The researcher is required to exercise all possible care to prevent damage to historical materials, and to maintain papers in the order in which they are delivered to him. Except when a supervisor authorizes the use of a fountain pen, the use of ink at desks upon which there are historical materials is prohibited. Historical materials may not be leaned upon, written upon, folded anew, traced or handled in any way likely to damage them. The use of historical materials of exceptional value or in fragile condition is subject to such special restrictions as the supervisor may deem necessary.

§ 3.23 **Limitation on quantity.**

The supervisor in charge of the Research Room may limit the quantity of historical materials to be delivered to a researcher at any one time.

§ 3.24 **Removal prohibited.**

Researchers may not take historical materials from the Research Room.

§ 3.25 **Disturbance prohibited.**

Loud talking and other activities likely to disturb researchers are prohibited. Persons wishing to use typewriters or sound recording devices may be requested to work in specially designated areas.

§ 3.26 **Smoking and eating prohibited.**

Smoking and eating in the Research Room are prohibited.

LOANS, REPRODUCTION FEES, AND PUBLICATION

§ 3.30 **Loans.**

Historical materials may not be borrowed for use outside the Library except upon authorization in each instance by the Archivist.

§ 3.31 **Reproduction fees.**

The Library will, for a fee, furnish reproductions of unrestricted historical materials. Fees must be paid in advance except when payment on an "accounts receivable" basis is approved by the Director.

§ 3.32 **Publication of historical material.**

Historical materials made available to researchers may not be published except upon the written authorization of the Director.

§ 3.33 **Authentication and attestation of copies; costs.**

The Director is authorized to authenticate and attest, for and in the name of the Archivist, copies or reproductions of unrestricted historical materials. Such copies or reproductions will be furnished upon payment of costs.

LEGAL DEMANDS

§ 3.40 **Service of subpoena or other legal demand; compliance.**

When a subpoena duces tecum or other legal demand for the production of historical materials in the Library is served upon the Administrator, the Administrator will, so far as legally practicable, comply with such subpoena or demand by submitting authenticated copies of such material, or the original material if necessary, unless he determines that disclosure of the information is contrary to law or Executive order, would violate restrictions authorized by law and specified in writing by the donors or depositors of the material, or would prejudice the national interest or security of the United States. When a subpoena or demand for historical materials is served upon any officer or employee of the General Services Administrator other than the Administrator, he will, so far as legally practicable and unless otherwise directed by the Administrator, respectfully decline to produce such material on the ground that he does not have legal custody thereof, is without authority under this part to produce the same, and that the Administrator has not determined that production of the material is in accordance with the regulations in this part.

MUSEUM

§ 3.50 **Admission fee.**

A charge of 40 cents shall be collected from each person visiting and viewing the museum portion of the Library, except as provided in § 3.51.

§ 3.51 **Free admissions.**

The following persons will be admitted to the museum free of charge: *Provided*, That the applicable tax, if any, will be collected from such persons unless exempt by law:

(a) *Without prior application.* (1) Children 12 years of age or under when accompanied by an adult assuming responsibility for their safety and orderly conduct.

(2) Uniformed members of the Armed Forces of the United States.

(3) Persons in the support or care of charitable institutions and their attendants.

(b) *When prior application has been made.* (1) Persons from educational institutions when such persons are accompanied by officers or instructors of such institutions.

(c) *Special cases.* Persons engaged in business affecting the Library and other persons when specifically authorized by the Director.

§ 3.52 **Hours of admission.**

The museum portion of the Library will be open from 10 a. m. to 5 p. m., Tuesday through Sunday, including Federal legal holidays, except Christmas, and at such other times as the Director may authorize. The museum will also be open each Monday that is a Federal legal holiday other than Christmas.

§ 3.53 **Checking of certain personal property.**

Visitors to the museum rooms of the Library must check all parcels, luggage, and such other personal property as may be determined by the Director at a place designated by the Director.

FRANKLIN FLOETE,
Administrator.

[F. R. Doc. 58-10804; Filed, Dec. 31, 1958; 8:45 a. m.]

Title 45—PUBLIC WELFARE

Chapter V—Foreign Claims Settlement Commission of the United States

SUBCHAPTER A—RULES OF PRACTICE

PART 500—APPEARANCE AND PRACTICE BEFORE THE COMMISSION

SUBCHAPTER C—RECEIPT, ADMINISTRATION AND PAYMENT OF CLAIMS UNDER THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949, AS AMENDED

PART 531—FILING OF CLAIMS AND PROCEDURES THEREFOR

Miscellaneous Amendments

1. Section 500.2 (b) is hereby amended to read as follows:

(b) The total remuneration on account of services rendered or to be rendered to or on behalf of any claimant in connection with any claim falling within the purview of Title III of the Act shall not exceed ten per centum of the total amount paid on account of such claim, except that the Commission may upon petition, as prescribed in § 500.3, in its discretion enter an order authorizing such remuneration in an amount which exceeds the maximum otherwise permitted.

2. After § 500.2 (b) a new paragraph is added as follows:

(c) The total remuneration on account of services rendered or to be rendered to or on behalf of any claimant in connection with any claim falling within Title IV of the Act shall not exceed ten per centum of the total amount paid on account of such claim.

3. In § 500.3, the heading is hereby amended to read as follows:

§ 500.3 **Petitions for additional remuneration pursuant to section 317 (b) of Title III of the Act.**

(Sec. 2, 62 Stat. 1240, as amended, sec. 3, 64 Stat. 13, as amended; 50 U. S. C. App. 2001, 22 U. S. C. 1622)

4. Section 531.1 is hereby amended to read as follows:

§ 531.1 **Time for filing.**

(a) Claims under Title III of the Act shall be filed with the Commission on or before September 30, 1956, except that claims pursuant to section 305 (Soviet claims) shall be filed on or before March 31, 1956.

(b) Claims under Title IV (Czechoslovakian claims) of the Act shall be filed with the Commission on or before August 1, 1959.

5. After § 531.2 (b), a new paragraph is added as follows:

(c) FCSC Form 604 (Claim against the Government of Czechoslovakia).

6. After § 531.5 (i) a new paragraph is added as follows:

(j) (1) In case a claimant dies prior to the issuance of a Final Decision his legal representative shall promptly file proof of his capacity. Thereupon the legal representative shall be substituted as party claimant. However, upon failure to comply with the foregoing, the Commission may issue its decision in the name of the estate, and in the case of an award, certify the award so issued to the Secretary of the Treasury for payment, as provided by the Act.

(2) Notice of the Commission's action under this subparagraph shall be forwarded to the claimant's attorney of record, or if claimant is not represented by an attorney, such notice shall be addressed to the estate of the claimant at the last known place of residence.

(3) The term "legal representative" as applied in this subparagraph means, in general, the administrator or executor, heir(s), next of kin, or descendant(s).

7. In § 531.6, paragraph (e) is hereby amended to read as follows: