

by adding to paragraph (c) a new table 2 and by adding to the section a new paragraph (e), as follows:

§ 121.258 Dimetridazole.

(c) * * *

TABLE 2—DIMETRIZAZOLE IN COMPLETE TURKEY FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
1. Dimetridazole	136-182 (0.015-0.02%)			For turkeys; withdraw 5 days before slaughter; as sole source of dimetridazole; eggs not to be used for food purposes.	Prevention of blackhead (histomoniasis, infectious enterohepatitis).
2. Dimetridazole	544-725 (0.06-0.08%)			do	As an aid in the control of blackhead (histomoniasis, infectious enterohepatitis).

(e) Section 121.1167 establishes the limitations for residues of the additive in food for human consumption.

2. Based upon an evaluation of the data before him, and proceeding under the authority of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(4), 72 Stat. 1786; 21 U.S.C. 348(c)(4)), the Commissioner has further concluded that a tolerance limitation is required in order to assure that the use of the food additive dimetridazole in accordance with § 121.258 will not cause the edible eggs of turkeys to be unsafe. Therefore, § 121.1167 is amended by inserting the word "eggs" and, as amended, reads as follows:

§ 121.1167 Dimetridazole.

A tolerance of zero is established for residues of dimetridazole in the uncooked edible tissues, byproducts, and eggs of turkeys.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C., 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 409(c)(1), (4), 72 Stat. 1786; 21 U.S.C. 348(c)(1), (4))

Dated: March 12, 1965.

JOHN L. HARVEY,
Deputy Commissioner
of Food and Drugs.

[F.R. Doc. 65-2836; Filed, Mar. 18, 1965;
8:48 a.m.]

SUBCHAPTER C—DRUGS

PART 146a—CERTIFICATION OF PENICILLIN AND PENICILLIN-CONTAINING DRUGS

Sodium Oxacillin; Sodium Oxacillin Tablets

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357) and delegated by him to the Commissioner of Food and Drugs (21 CFR 2.90), the regulations for the certification of penicillin and penicillin-containing drugs are amended in the following respects:

1. Section 146a.12 is amended to provide new expiration dates of 36 months or 48 months, under specified conditions, for sodium oxacillin. The amendment is effected by changing paragraph (c)(3) to read as follows:

§ 146a.12 Sodium oxacillin.

(c) * * *

(3) The statement "Expiration date _____" the blank being filled in with the date that is 24 months after the month during which the batch was certified, except that the blank may be filled in with the date that is 36 months or 48 months after the month during which the batch was certified if the person who requests certification has submitted to the Commissioner results of tests and assays showing that after having been stored for such period of time such drug as prepared by him complies with the standard prescribed by paragraph (a) of this section.

2. Section 146a.13 is amended to provide new expiration dates of 36 months or 48 months for sodium oxacillin tablets and to exempt the manufacturer from the requirement of submitting samples for moisture testing, subject to specified conditions. The amendments are effected by changing paragraphs (c)(1) and (d)(2)(i)(a) and (3)(i)(a)(2) to read as follows:

§ 146a.13 Sodium oxacillin tablets.

(c) * * *

(1) The statement "Expiration date _____" the blank being filled in with the date that is 12 months after the month during which the batch was certified, except that the blank may be filled in with the date that is 18, 24, 36, or 48 months after the month during which the batch was certified if the person who requests certification has submitted to the Commissioner results of tests and assays showing that after having been stored for such period of time such drug as prepared by him complies with the standards prescribed by paragraph (a) of this section.

(d) * * *

(2) * * *

(i) * * *

(a) If the person who requests certification is the manufacturer of the batch: Average potency, average moisture, and, if required by paragraph (a) of this section, disintegration time of tablets collected during the time of tableting the batch; and, unless the tablets are packaged into dispensing-size containers immediately after they are compressed or the manufacturer has submitted to the Commissioner, and it has been accepted, information adequate to prove that such tests are not necessary, average moisture of tablets collected during each day of packaging the batch.

(3) * * *

(i) * * *

(a) * * *

(2) If, after tableting, such person packages the batch into dispensing-size containers: 20 tablets collected at equal intervals during each day the tablets are being packaged, except that this sample is not required if the tablets are packaged immediately after they are compressed or if the manufacturer has been exempted by the Commissioner from such requirement; or

Notice and public procedure and delayed effective date are unnecessary prerequisites to the promulgation of this order, and I so find, since the amendments are such that they cannot be applied to any specific product unless its manufacturer has supplied adequate data regarding that article.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357)

Dated: March 12, 1965.

JOHN L. HARVEY,
Deputy Commissioner
of Food and Drugs.

[F.R. Doc. 65-2837; Filed, Mar. 18, 1965;
8:48 a.m.]

Title 32—NATIONAL DEFENSE

Chapter XIV—The Renegotiation Board

SUBCHAPTER B—RENEGOTIATION BOARD REGULATIONS UNDER THE 1951 ACT

PART 1470—INFORMATION REQUIRED OF CONTRACTORS

Miscellaneous Amendments

This part is amended as follows:

§ 1470.3 [Amended]

1. Section 1470.3 *Filing of financial statement* is amended in the following respects:

a. The first sentence of paragraph (c) *Sufficiency of contents* is deleted in its entirety and the following is inserted in lieu thereof: "The Standard Form of Contractor's Report is required to be completed in accordance with the instructions therefor."

b. Paragraph (c) is further amended by adding at the end thereof the following: "The Statement of Non-Applicability when it is to be filed, should be completed in accordance with the instructions therefor."

c. Paragraph (e) *Filing rules* is amended by deleting "§ 1472.5" and inserting in lieu thereof "§ 1472.6".

2. A center heading reading "Forms and Instructions" is inserted immediately after § 1470.3.

3. A new § 1470.90 is added to read as follows:

§ 1470.90 *Standard Form of Contractor's Report.*

Copies of the Standard Form of Contractor's Report prescribed in § 1470.3(a) may be obtained from the Board and the Regional Boards (see §§ 1470.92 and 1472.6(d)(1) of this subchapter).

4. Section 1470.91 *Statement of Non-Applicability of the Renegotiation Act of 1951, as amended*, is deleted in its entirety and the following is inserted in lieu thereof:

§ 1470.91 *Statement of Non-Applicability of the Renegotiation Act of 1951, as amended.*

Copies of the Statement of Non-Applicability prescribed in § 1470.3(b) may be obtained from the Board and the Regional Boards (see §§ 1470.92 and 1472.6(d)(1) of this subchapter).

5. A new § 1470.92 is added to read as follows:

§ 1470.92 *Instructions for preparing and filing renegotiation reports.*

The Standard Form of Contractor's Report (see § 1470.90) and the Statement of Non-Applicability (see § 1470.91), together with explanatory information and instructions for preparing and filing such reports, are set forth in a booklet published by the Board, entitled "Instructions for Filing Renegotiation Reports." Such information and instructions are intended to guide and assist contractors in complying with the act; they are not a substitute for any regulations in this subchapter. Copies of the booklet may be obtained from the

Board and the Regional Boards (see § 1472.6(d)(1) of this subchapter).

(Sec. 109, 65 Stat. 22; 50 U.S.C. App. Sup. 1219)

Dated: March 16, 1965.

LAWRENCE E. HARTWIG,
Chairman.

[F.R. Doc. 65-2825, Filed, Mar. 18, 1965; 8:47 a.m.]

Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration

PART 8—NATIONAL SERVICE LIFE INSURANCE

Miscellaneous Amendments

1. In § 8.0, paragraphs (b) (4), (d) and (e) are added to read as follows:

§ 8.0 Eligibility.

(b) *Applications for insurance under section 722(a) of title 38, United States Code.*

(4) The term "service-connected disability (or disabilities) for which compensation is or would be payable, if 10 per centum or more in degree" as used in this paragraph includes all disabilities which are rated service-connected by the Veterans Administration except for dental ratings which are made for dental treatment only and ratings made under the provisions of 38 U.S.C. 602.

(d) *Applications for insurance under section 725 of title 38, United States Code.* (1) Effective May 1, 1965, any person (other than a person referred to in subparagraphs (5) and (6) of this paragraph) heretofore eligible to apply for National Service Life Insurance after October 7, 1940, and before January 1, 1957, who is found by evidence satisfactory to the Administrator to be suffering (i) from a service-connected disability (or disabilities) for which compensation is or would be payable, if 10 per centum or more in degree (paragraph (b) (4) of this section), and except for which such person would be insurable according to the standards of good health established by the Administrator; or (ii) from a non-service-connected disability, or a combination of service-connected and non-service-connected disabilities which (a) renders such person uninsurable according to the standards of good health established by the Administrator, and (b) such person establishes to the satisfaction of the Administrator that he is unable to obtain commercial life insurance because of such uninsurability at substandard rates, and (c) such uninsurability existed as of October 13, 1964, shall upon meeting the criteria and conditions hereinafter stated in this paragraph be granted National Service Life Insurance.

(2) (i) If the applicant, notwithstanding his service-connected disability, is insurable according to the standards of good health established by the Adminis-

trator (§ 8.1), he shall be granted National Service Life Insurance as provided in § 8.112a (a) and (e).

(ii) If the applicant's service-connected disability or disabilities render him uninsurable and he is otherwise in good health, according to the standards of good health established by the Administrator (§ 8.1), he shall be granted insurance as provided in § 8.112a (b) and (e).

(iii) If the applicant has a non-service-connected disability, or a service-connected disability which combined with a non-service-connected disability, renders him uninsurable according to the standards of good health established by the Administrator (§ 8.1), and such person establishes to the satisfaction of the Administrator that (a) such uninsurability existed on October 13, 1964, and (b) he is unable to obtain commercial life insurance because of such uninsurability at substandard rates, he shall be granted National Service Life Insurance as provided in § 8.112a (c) and (e) or at the applicant's election be issued the net single premium 1-year endowment policy as provided in § 8.112a (d) in lieu of insurance issued under § 8.112a (c) and (e).

(3) Insurance may be granted under this paragraph subject to the following conditions: (i) Written application signed by the applicant; (ii) payment of the initially required premiums and submission of a signed agreement to pay the correct premium or premiums for his insurance when billed; or the payment of the required net single premium required for the 1-year endowment policy which may be issued to persons referred to in subparagraph (2) (iii) of this paragraph; (iii) proof, satisfactory to the Administrator, that the applicant meets the health and other requirements provided in this paragraph; and (iv) application and tender of premiums must be mailed or otherwise delivered to the Veterans Administration before May 3, 1966.

(4) The following persons (other than a person referred to in subparagraphs (5) and (6) of this paragraph) are eligible to apply for National Service Life Insurance under this paragraph:

(i) Any person in the active service (as that term is defined in section 601(c) of the National Service Life Insurance Act, as amended) in the land or naval forces (including the Coast Guard) of the United States, on October 8, 1940, and any person who entered such service (including those selected for training and service in such forces under the Selective Training and Service Act of 1940), after October 8, 1940, and prior to April 26, 1951, under orders to active duty for a period of not less than 31 days; and any person considered or deemed to have been in such service for the purposes of the National Service Life Insurance Act, as amended, or entitled to apply for National Service Life Insurance during such period.

(ii) Any person granted indemnity protection under section 2 of the Servicemen's Indemnity Act of 1951, who was separated from active service, under other than dishonorable conditions, on or after April 25, 1951, and prior to Janu-

ary 1, 1957, who is found by the Administrator to be 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.

(iii) Any person entitled to indemnity protection under section 2 of the Servicemen's Indemnity Act of 1951, who was ordered into the active service for a period exceeding 30 days and who was separated therefrom on or after April 25, 1951, and prior to January 1, 1957.

(iv) For the purpose of subdivisions (ii) and (iii) of this subparagraph, any person granted or entitled to indemnity protection under section 2 of the Servicemen's Indemnity Act of 1951 shall be deemed to have been in the active service. Also, for such purposes, any person who reentered active service on the date of separation or the following day shall be deemed to have been in continuous active service and not to have been separated therefrom.

(5) The following persons are not eligible for insurance under this paragraph:

(i) Any person who served before July 1, 1946, in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the Armed Forces of the United States pursuant to the military order of the President dated July 26, 1941, including among such military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States.

(ii) Any person who served in the Philippine Scouts under section 14 of the Armed Forces Voluntary Recruitment Act of 1945.

(iii) Any person while on active duty or active duty for training under a call or order to such duty for a period of 31 days or more during the 1-year eligibility period for this insurance.

(6) Any person who forfeited his rights to National Service Life Insurance by reason of being guilty of one of the offenses specified in § 8.61 and did not thereafter establish a new period of eligibility is not eligible for insurance under this paragraph.

(7) An application for insurance under this paragraph should be made on the form prescribed therefor, but any written statement which in substance meets the requirements of this paragraph may be considered an application. If the applicant is mentally incompetent, the application may be made only by the guardian and, if required under the State law, after the court shall have authorized the fiduciary to make such application.

(e) *Applications for insurance on the ordinary life plan issued under section 704(d) of title 38, United States Code.*

(1) Any insured who has a National Service Life Insurance policy on the modified life plan which is in force under premium-paying conditions on the day before

his 65th birthday may upon written application signed by the insured and payment of the required premium made to the Veterans Administration before such birthday, be granted insurance on the ordinary life plan in accordance with § 8.112b(c), without evidence of health. The ordinary life plan shall become effective on the 65th birthday of the insured and the premium rate for such insurance will be the applicable ordinary life premium for the attained age of the policyholder on that day.

(2) Any insured who has a National Service Life Insurance policy on the modified life plan which is in force by waiver of premiums under 38 U.S.C. 712 on the day before his 65th birthday (or such waiver of premiums is subsequently granted) shall automatically be granted insurance on the ordinary life plan in accordance with § 8.112b(c). The amount of insurance granted on such plan in accordance with that section shall not exceed one-half of the face amount of the modified life insurance policy in force on the day before his 65th birthday. The ordinary life plan shall become effective on the 65th birthday of the insured and the premium rate for such insurance will be the applicable ordinary life premium for the attained age of the policyholder on that day.

(3) An application for insurance under this paragraph should be made on the form prescribed therefor, but any written statement which in substance meets the requirements of this paragraph may be considered an application. If the applicant is mentally incompetent, the application may be made only by a guardian and, if required under the State law, after the court shall have authorized the fiduciary to make such application.

2. In § 8.2, paragraph (c) is added to read as follows:

§ 8.2 Effective date.

(c) *Effective date of insurance applied for under section 725 of title 38; United States Code.* The effective date of National Service Life Insurance issued under the provisions of 38 U.S.C. 725 shall be the date the application and tender of premiums are delivered to the Veterans Administration, but not prior to May 1, 1965, nor later than May 2, 1966. If the application and tender of premiums are forwarded by mail, properly addressed to the Veterans Administration, the postmark date will be taken as the date of delivery.

3. 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 the birthday anniversary of the applicant at the time the policy becomes effective. The premium rates for National Service Life Insurance are as follows:

(a) The premium rates for participating insurance, other than policies of such insurance issued on the modified life or ordinary life plans under 38 U.S.C. 704 (b) or (d), respectively, are based on the

American Experience Table of Mortality and interest at the rate of 3 per centum per annum. The premium rates for participating insurance issued on the modified life or ordinary life plans under 38 U.S.C. 704 (b) or (d), respectively, are based on the 1958 Commissioners Standard Ordinary Basic Mortality Table and interest at the rate of 3 per centum per annum.

(b) The premium rates for nonparticipating 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, and for policies of such insurance issued on the modified life or ordinary life plans under 38 U.S.C. 704 (c) or (d), respectively, are based on the American Experience Table of Mortality and interest at the rate of 3 per centum per annum.

(c) The premium rates for insurance issued under section 620 of the National Service Life Insurance Act, as amended, 38 U.S.C. 722(a), and for policies of such insurance issued on the modified life or ordinary life plans under 38 U.S.C. 704 (c) or (d), respectively, are based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2½ per centum per annum.

(d) The premium rates for the term insurance issued under section 621 of the National Service Life Insurance Act, as amended, are based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2½ per centum per annum. Policies of such term insurance which are converted to insurance on the modified life plan under 38 U.S.C. 704(c) and such insurance subsequently issued on the ordinary life plan under 38 U.S.C. 704(d), shall for the purposes of such provisions of law be deemed to have been issued under 38 U.S.C. 723(b) (see paragraph (e) of this section).

(e) The premium rates for permanent plan insurance or limited convertible term insurance issued under 38 U.S.C. 723(b), and for policies of such insurance issued on the modified life or ordinary life plans under 38 U.S.C. 704 (c) or (d), respectively, are based on table X-18 (1950-54 Intercompany Table of Mortality) and interest at the rate of 2½ per centum per annum.

(f) The premium rates for insurance issued under 38 U.S.C. 725(b) and for policies of such insurance issued on the modified life or ordinary life plans under 38 U.S.C. 704 (c) or (d), respectively, are based on the 1958 Commissioners Standard Ordinary Basic Mortality Table and interest at the rate of 3½ per centum per annum. Such premium rates may be adjusted at the time of issue as the Administrator determines to be necessary for sound actuarial operations, and thereafter such premiums may be adjusted as the Administrator determines to be so necessary but at intervals of not less than 2 years. Further, an additional premium to cover the administrative cost of such insurance (including any total disability income provision attached thereto) to the Government as determined by the Administrator at the time of issue shall be charged for such in-

insurance and provision and thereafter such cost may be adjusted as the Administrator determines to be so necessary but at intervals of not less than 5 years.

(g) The premium rates for insurance issued under 38 U.S.C. 725(c) and for policies of such insurance issued on the modified life or ordinary life plans under 38 U.S.C. 704 (c) or (d), respectively, are based on the American Experience Table of Mortality and interest at the rate of 3½ per centum per annum. Such premium rates may be adjusted at the time of issue as the Administrator determines to be necessary for sound actuarial operations, and thereafter such premiums may be adjusted from time to time as the Administrator determines to be necessary. Further, an additional premium to cover the administrative cost to the Government as determined by the Administrator at the time of issue of such insurance (including any total disability income provision subsequently attached thereto) shall be charged for such insurance and provision and thereafter such cost may be adjusted as the Administrator determines to be necessary but at intervals of not less than 5 years. For the purpose of establishing the initial premium rates to be charged for insurance issued under 38 U.S.C. 725(c), and for any subsequent adjustment thereof, the service-connected disabled group and the non-service-connected disabled group may be separately classified, and charged a different premium rate for the protection granted. Individuals within each of the two groups may be separately rated, depending upon the nature of their impairment and the risk involved.

4. 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 quarterly, semiannually or annually, in advance. In any case in which premiums are paid in advance the premium payable will be the sum of the monthly premiums for the period discounted at the same interest rate as that on which the premium charges are based as set forth in § 8.3. 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.

5. In § 8.8, paragraph (e) is added to read as follows:

§ 8.8 Deduction of insurance premiums from compensation, retirement pay, or pension.

(e) The deduction authorized by a policyholder issued insurance under 38 U.S.C. 725 will be automatically adjusted by the Veterans Administration to take

cognizance of any premium adjustment made by the Administrator on such insurance provided the benefit payments due and payable to the insured are of an amount sufficient to pay the monthly insurance premium.

6. In § 8.22, paragraph (a) is amended, a new paragraph (c) is added, the former paragraph (c) is amended and redesignated (d), and the former paragraph (d) is redesignated (e) so that the amended, added and redesignated material reads as follows:

§ 8.22 Reinstatement of National Service Life Insurance.

(a) *Reinstatement of National Service Life Insurance except insurance reinstated pursuant to section 781 of title 38, United States Code, or section 725 of title 38, United States Code.* Subject to the National Service Life Insurance provisions of title 38, United States Code, and Veterans Administration regulations issued thereunder, any insurance which has lapsed or may hereafter lapse and which has not been surrendered for a cash value or for paid-up insurance may be reinstated upon written application signed by the applicant, and, except as hereinafter provided in this paragraph, upon payment of all premiums in arrears, with interest from their several due dates, provided such applicant at the time of application and tender of premiums is in the required state of health as shown in § 8.23 (a) or (b), whichever is applicable, and submits evidence thereof at the time of application and tender of premiums as may be satisfactory to the Administrator of Veterans Affairs. Interest on premiums in arrears shall be at the rate of 5 per centum per annum, compounded annually, to the first monthly premium due date after July 31, 1946, and thereafter at the rate of 4 per centum per annum, compounded annually; *Provided*, That no interest on premiums in arrears will be required if reinstatement is effected within 3 months from the due date of the premium in default. The payment or reinstatement of any indebtedness against any policy must be made, and if such indebtedness with interest exceeds the reserve of the policy at the time of application for reinstatement thereof, then the amount of such excess shall be paid by the applicant as a condition of the reinstatement of the indebtedness and of the policy. A lapsed National Service Life Insurance Policy which is in force under extended term insurance may be reinstated without health statement or other medical evidence, if application and tender of premiums with the required interest are made not less than 5 years prior to the date such extended insurance would expire. In any case in which the extended insurance under an endowment policy provides protection to the end of the endowment period, such policy may be reinstated upon application and payment of the premiums with the required interest, and health statement or other medical evidence will not be required. National Service Life Insurance on the level premium term plan may be reinstated by written application of the in-

sured accompanied by evidence of insurability and tender of two monthly premiums, one for the month of lapse, the other for the premium month in which reinstatement is effected; but such insurance when reinstated without payment of all premiums in arrears with interest shall have no reserve value. Application for reinstatement of level premium term insurance accompanied by evidence of insurability and tender of premiums must be submitted prior to the expiration of the 5-year term period, except as provided in § 8.85.

(c) *Reinstatement of insurance issued under 38 U.S.C. 725.* Subject to the National Service Life Insurance provisions of title 38, United States Code, and Veterans Administration regulations issued thereunder, any insurance issued under 38 U.S.C. 725 which has been lapsed for not more than 5 years, and which has not been surrendered for a cash value or for paid-up insurance may be reinstated upon written application signed by the applicant, payment of the monetary requirements hereinafter set forth in this paragraph, and submission of evidence satisfactory to the Administrator that at the time of application and tender of monetary requirements, the applicant was in the required state of health as shown by § 8.23 (a) or (b), whichever is applicable. The payment or reinstatement of any indebtedness against any policy must be made, and if such indebtedness with interest exceeds the reserve of the policy at the time of application for reinstatement thereof, then the amount of such excess shall be paid by the applicant as a condition of the reinstatement of the indebtedness and of the policy. A policy which has been lapsed for three premium months or less may be reinstated upon meeting the health requirements as shown by § 8.23(a) and payment of all premiums in arrears. A policy which has been lapsed for more than three premium months but not more than 5 years may be reinstated upon meeting the health requirements as shown by § 8.23(b) and payment of all premiums in arrears with interest from their several due dates at the rate of 4 per centum per annum compounded annually. A lapsed policy which is in force under extended term insurance may be reinstated without health statement or other medical evidence, if application and tender of the required premiums and interest are made within 5 years after the date of lapse and not less than 5 years prior to the date such extended term insurance would expire. In any case in which the extended insurance under an endowment policy, which has not been lapsed for more than 5 years provides protection to the end of the endowment period, such policy may be reinstated, without health statement or other medical evidence, upon application and tender of the required premiums and interest prior to the end of the endowment period.

(d) *Effective date of reinstatements.* Reinstatement is effected when an acceptable application and the required monetary payments are delivered to the

Veterans Administration. If application for reinstatement is submitted by mail, properly addressed to the Veterans Administration, the postmark date shall be the date of delivery. The effective date of reinstatement of the insurance shall be the last monthly premium due date prior to the delivery or postmark date of the application for reinstatement, except where reinstatement is effected on the due date of a premium, then in such case that date shall be the reinstatement date.

(e) *Inquiry prior to expiration of the grace period.* When the insured under a National Service Life Insurance policy makes inquiry prior to the expiration of the grace period disclosing a clear intent to continue insurance protection, such as a request for information concerning premium rates or conversion privileges, etc., and additional reasonable period not exceeding 60 days may be granted for payment of premiums due; but the premiums in any such case must be paid during the lifetime of the insured.

7. Section 8.24 is revised to read as follows:

§ 8.24 Application and medical evidence.

The applicant for reinstatement of National Service Life Insurance, during his lifetime, and within 5 years after the date of lapse if the insurance was issued under 38 U.S.C. 725, must submit a written application signed by him and furnish evidence of health as required in § 8.23 at the time of application satisfactory to the Administrator of Veterans Affairs and upon such forms as the Administrator shall prescribe or otherwise as he shall require. Applicant's own statement of comparative health may be accepted as proof of insurability for the purpose of reinstatement under § 8.23(a), but, whenever deemed necessary in any such case by the Administrator, report of physical examination may be required. Applications for reinstatement submitted after expiration of the applicable period mentioned in § 8.23(a) must be accompanied by evidence of good health satisfactory to the Administrator. If the insurance becomes a claim after the tender of the amount necessary to meet reinstatement requirements but before full compliance with the requirements of this section, and the applicant was in a required state of health at the date that he made the tender of the amount necessary to meet reinstatement requirements, and that there is satisfactory reason for his noncompliance, the Deputy Director for Underwriting, Accounts and Insurance Claims in Central Office and Insurance Officers, Veterans Administration Centers, St. Paul, Minn., and Philadelphia, Pa., may, if the applicant be dead, waive any or all requirements of this section (except payment of the necessary premiums) or, if the applicant be living, allow compliance with this section as of the date the required amount necessary to reinstate was received by the Veterans Administration.

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

§ 8.26 How paid.

(a) Except as hereinafter provided in this paragraph, a National Service Life Insurance policy shall participate in and receive such dividends from gains and savings as may be determined by the Administrator of Veterans Affairs. 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. Dividends are not payable on insurance:

(1) Issued or reinstated under the provisions of section 602(c) (2) of the National Service Life Insurance Act, as amended, where the requirements of good health were waived at the time of such issue or reinstatement;

(2) Issued under sections 620 and 621 of the National Service Life Insurance Act, as amended;

(3) Issued under sections 704(c), 722(a), 723(b), and 725 of title 38, United States Code;

(4) Issued on the ordinary life plan under section 704(d) of title 38, United States Code, to replace the amount of insurance reduced under a modified life plan policy issued under 38 U.S.C. 704(c); and

(5) 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 38 U.S.C. 724 for the period during which such premium waiver is in effect.

9. In § 8.27, paragraphs (a), (b), and (c) are amended and paragraphs (d) through (g) are added so that the added and amended material reads as follows:

§ 8.27 Cash value.

(a) *Cash value on participating National Service Life Insurance other than as provided in paragraph (e) of this section.* 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, reserves, and net single premiums being based on the American Experience Table of Mortality, with interest at the rate of 3 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 together with any dividend accumulations. 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 the premiums for at least 1 year. Unless otherwise requested by the insured, a surrender will be

deemed completed as of the end of the premium month in which the application for cash surrender is delivered to the Veterans Administration, or as of the date of the check for the cash value, whichever is later. If the application is forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery. If it is forwarded through military channels, the date the application 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.

(b) *Cash value on insurance issued under the provisions of section 620 of the National Service Life Insurance Act, as amended, section 722(a) of title 38, United States Code, and on modified life and ordinary life plans of such insurance issued under sections 704 (c) and (d), respectively, of such 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 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. Values between policy years shall be proportionally adjusted. 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. Unless otherwise requested by the insured, a surrender will be deemed completed as of the end of the premium month in which the application for cash surrender is delivered to the Veterans Administration or as of the date of the check for the cash value, whichever is later. If the application is forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery. If it is forwarded through military channels, the date the application is placed in military channels will be taken as the date of delivery.

(c) *Cash value on insurance issued under the provisions of section 723(b) of title 38, United States Code, and on modified life and ordinary life plans of such insurance issued under sections 704 (c) and (d), respectively, of such 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 5-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. Values between policy years shall be proportionally adjusted. 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. Unless otherwise requested by the insured, a surrender will be deemed completed as of the end of the premium month in which the application for cash surrender is delivered to the Veterans Administration, or as of the date of the check for the cash value, whichever is later. If the application is forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery. If it is forwarded through military channels, the date the application is placed in military channels will be taken as the date of delivery.

(d) *Cash value on nonparticipating insurance on which the requirements of good health were waived under the provisions of section 602(c)(2) of the National Service Life Insurance Act, as amended ("H" Insurance), and on the modified life and ordinary life plans of such "H" insurance issued under sections 704 (c) and (d), respectively, 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, reserves, and net single premiums being based on the American Experience Table of Mortality, with interest at the rate of 3 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. Values between policy years shall be proportionally adjusted. 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 the premiums for at least 1 year. Unless otherwise requested by the insured, a surrender will be deemed completed as of the end of the premium month in which the application for cash surrender is delivered to the Veterans Administration, or as of the date of the check for the cash value, whichever is later. If the application is forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery. If it is forwarded through military channels, the date the application 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.

(e) *Cash value on participating modified life and ordinary life plan insurance*

issued under sections 704 (b) and (d), respectively, 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 participating modified life and ordinary life plans of insurance issued under 38 U.S.C. 704 (b) and (d), respectively. All values on such insurance, reserves, and net single premiums shall be based on the 1958 Commissioners Standard Ordinary Basic Table of Mortality and interest at the rate of 3 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 together with any dividend accumulations. Values between policy years shall be proportionally adjusted. 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 the premiums for at least 1 year. Unless otherwise requested by the insured, a surrender will be deemed completed as of the end of the premium month in which the application for cash surrender is delivered to the Veterans Administration, or as of the date of the check for the cash value, whichever is later. If the application is forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery. If it is forwarded through military channels, the date the application is placed in military channels will be taken as the date of delivery.

(f) *Cash value on insurance issued under the provisions of section 725(b) of title 38, United States Code, and on modified life and ordinary life plans of such insurance issued under sections 704 (c) and (d), respectively, of such code.* Provisions for cash value, paid-up insurance and extended term insurance shall become effective at the completion of the first policy year on any plan of insurance issued under 38 U.S.C. 725(b), or any modified life and ordinary life plans of such insurance issued under 38 U.S.C. 704 (c) and (d), respectively. All values on such insurance, reserves and net single premiums are based on the 1958 Commissioners Standard Ordinary Basic Mortality Table and interest at the rate of 3½ 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. Values between policy years shall be proportionally adjusted. 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. Unless otherwise requested by the insured, a surrender will be deemed completed as of the end of the premium month in which the application for cash surrender is delivered to the Veterans Administration, or as of the date of the check for the

cash value, whichever is later. If the application is forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery. If it is forwarded through military channels, the date the application is placed in military channels will be taken as the date of delivery.

(g) *Cash value on insurance issued under the provisions of section 725(c) of title 38, United States Code, and on modified life and ordinary life plans of such insurance issued under sections 704 (c) and (d), respectively, of such code.* Provisions for cash value, paid-up insurance and extended term insurance, shall become effective at the completion of the first policy year on any plan of insurance issued under 38 U.S.C. 725(c) or any modified life and ordinary life plans of such insurance issued under 38 U.S.C. 704 (c) and (d), respectively. All values on such insurance, reserves and net single premiums are based on the American Experience Table of Mortality and interest at the rate of 3½ 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. Values between policy years shall be proportionally adjusted. 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. Unless otherwise requested by the insured, a surrender will be deemed completed as of the end of the premium month in which the application for cash surrender is delivered to the Veterans Administration, or as of the date of the check for the cash value, whichever is later. If the application is forwarded by mail, properly addressed, the postmark date will be taken as the date of delivery. If it is forwarded through military channels, the date the application is placed in military channels will be taken as the date of delivery.

10. In § 8.29, paragraphs (a) and (b) are amended and paragraph (c) is added so that the added and amended material reads 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 permanent plan National Service Life Insurance policy other than the modified life plan has not been surrendered for cash or for paid-up insurance, the policy shall be extended automatically as term insurance. The extended term insurance shall be 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 and a charge for administrative cost for insurance issued under 38 U.S.C. 725, 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 on any permanent plan of National Service Life Insurance other than the modified life plan and any plan of insurance issued under 38 U.S.C. 725, if the policy has been in force by payment or waiver of premiums for not less than 3 months nor more than 11 months, the policy shall be extended automatically as term insurance. The extended term insurance shall be 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.

(c) Upon default in payment of a premium within the grace period, if a modified life plan of National Service Life Insurance has not been surrendered for cash or paid-up insurance and if the policy has been in force by payment or waiver of premiums for not less than 3 months, or for not less than 1 year for insurance issued under 38 U.S.C. 725, the policy shall be extended automatically as of insurance equal to (1) the Initial Face Amount of Insurance (face amount of policy in force prior to insured's 65th birthday) less any indebtedness, for lapses which occur prior to the insured's 65th birthday, or (2) the Ultimate Face Amount of Insurance (face amount of policy in force on or after insured's 65th birthday) less any indebtedness, for lapses which occur on or after the insured's 65th birthday. If a modified life plan policy is on extended term insurance at the end of the day preceding the 65th birthday of the insured the amount of extended term insurance in effect under such policy shall be automatically reduced by one-half thereof. The extended term insurance shall be effective from the due date of the premium in default for such time as the cash value or the reserve, whichever is applicable, of the policy less any indebtedness and a charge for administrative cost for insurance issued under 38 U.S.C. 725, 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 and years from that date to the date the extended term insurance becomes effective. If the policy lapsed prior to the end of the first policy year, the extended

term insurance shall not have a cash or loan value. If the policy lapsed after the first policy year, the extended term insurance shall not have a loan value, but shall have a cash value.

11. Sections 8.30, 8.32, 8.33, 8.34, 8.35, 8.36, and 8.40 are revised to read as follows:

§ 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 plan 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, and a charge for administrative cost for insurance issued under 38 U.S.C. 725, 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, if eligible to participate in and to receive dividends as set forth in § 8.26(a), shall be with the right to dividends. The insured may at any time surrender the paid-up policy for its cash value or obtain a loan on such paid-up insurance.

§ 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: modified life, 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, except that conversion to a modified life plan must be made before the insured attains the insurance age of 61 years and the effective date of the modified life plan must be before that date. The permanent plan insurance will be issued on the same reserve basis as the term insurance for which it was exchanged, except that:

(a) Participating term insurance exchanged for insurance on a modified life plan under 38 U.S.C. 704(b) shall be issued pursuant to § 8.112b(a);

(b) 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), or for a modified life plan issued pursuant to § 8.112b(b); and

(c) All other nonparticipating term insurance exchanged for a modified life plan shall be issued pursuant to § 8.112b(b).

The insured will be required to file written application and pay (except where premium waiver under 38 U.S.C. 712 is effective) the current monthly premium at the attained age of the insured for the plan of insurance selected. Where premium waiver is effective under 38 U.S.C. 724, 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 except that conversion to a modified life plan must be made before the insured attains the insurance age of 61 years and the effective date of the modified life plan must be before that date. The permanent plan insurance will be issued on the same reserve basis as the term insurance for which it was exchanged except that (a) participating term insurance exchanged for insurance on a modified life plan under 38 U.S.C. 704(b) shall be issued pursuant to § 8.112b(a); (b) 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), or for a modified life plan issued pursuant to § 8.112b(b); and (c) all other nonparticipating term insurance exchanged for

a modified life plan shall be issued pursuant to § 8.112b(b). 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 38 U.S.C. 712 is effective) the current monthly premium at the attained age of the insured as of the effective date of the new policy. Where premium waiver is effective under 38 U.S.C. 724, 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. Waiver of the premiums on the new policy shall not be effective prior to the date such policy change was made.

§ 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, and except as hereinafter provided, 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. If the insurance being exchanged was issued under 38 U.S.C. 725(c) the premium for the new policy will be calculated on the same basis as the premium for the old policy except for the difference due to the change of plan. 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. Subject to the other conditions of this section, a participating modified life plan policy issued under 38 U.S.C. 704(b), and a participating ordinary life plan policy issued at age 65 under 38 U.S.C. 704(d), may be exchanged for a participating permanent plan policy with the premium rates, reserve, loan, paid-up and extended insurance values being based on the American Experience Table of Mortality and interest at the rate of 3 per centum per annum.

§ 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 having

a lower reserve value, except to the 5-year level premium term or limited convertible 5-year level premium term plan. Exchange of insurance to a modified life plan must be made before the insured attains the insurance age of 61 years. The policies exchanged will have the same reserve basis, except that a participating policy exchanged for a modified life plan shall be exchanged for insurance issued pursuant to § 8.112b(a). If the insurance being exchanged was issued under 38 U.S.C. 725(c) the premium for the new policy will be calculated on the same basis as the premium for the old policy except for the difference due to the change of plan. The applicant must be in good health at the time of application and furnish 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 712 of title 38, United States Code.

Upon written application by the insured, and except as provided in this section, 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 65th birthday. However, if the total disability of the insured commenced on or after the insured's 60th birthday but before his 65th birthday, no premiums shall be waived under this section which became due prior to January 1, 1965. 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. 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 within 1 year after death of the insured; 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. This section shall not apply to any premium waiver authorized under section 602(d)(3) of the National Service Life Insurance Act, as amended.

Waiver of premiums under this section shall not be denied on permanent plans of insurance issued or reinstated pursuant to 38 U.S.C. 781 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 38 U.S.C. 722(a) because the service-connected disability of the insured became total in degree prior to the effective date of such insurance. Waiver of premiums under this section shall not be denied on an ordinary life plan policy issued under 38 U.S.C. 704(d) because the total disability of the insured commenced prior to the effective date of such policy, provided premiums were being waived under this section on the modified life plan policy, which the ordinary life plan replaced, on the day before the insured's 65th birthday or such waiver of premiums is subsequently granted. 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 38 U.S.C. 724.

12. 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, and except as hereafter provided in this paragraph, waiver of premiums may be granted effective as of the date 6 months continuous total disability commenced, but 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. 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. However, if the total disability of the insured commenced on or after the insured's 60th birthday but before his 65th birthday, no premiums shall be waived under this paragraph which became due prior to January 1, 1965. On permanent plans of National Service Life Insurance issued pursuant to 38 U.S.C. 781, and on insurance issued under 38 U.S.C. 722(a), 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. On an ordinary life plan policy issued pursuant to 38 U.S.C. 704(d), waiver of premiums shall not be effective prior to the effective date of such insurance. On permanent plans of National Service Life Insurance reinstated pursuant to said 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, and except as hereafter provided in this para-

graph, waiver of premiums may be granted effective as of the date 6 months continuous total disability commenced, but 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. 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. However, if the total disability of the insured commenced on or after the insured's 60th birthday but before his 65th birthday, no premiums shall be waived under this paragraph which became due prior to January 1, 1965. On permanent plans of National Service Life Insurance issued pursuant to 38 U.S.C. 781 and on insurance issued under 38 U.S.C. 722(a), 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. On an ordinary life plan policy issued pursuant to 38 U.S.C. 704(d), waiver of premiums shall not be effective prior to the effective date of such insurance. On permanent plans of National Service Life Insurance reinstated pursuant to said section 781, waiver of premiums shall not be effective prior to the effective date of reinstatement of such insurance.

13. Sections 8.64, 8.66, and 8.76 are revised to read as follows:

§ 8.64 Examination of applicants for insurance or reinstatement.

(a) Except as provided in paragraph (b) of this section where physical or mental examination is required of an applicant for National Service Life Insurance or of an applicant for reinstatement of National Service Life Insurance, such examination may be made by a medical officer of the United States Army, Navy, Air Force, or Public Health Service, or may be made free of charge to him by a full-time or part-time salaried physician at a regional office or hospital of the Veterans Administration. Such examination may also be made, at the applicant's own expense, by a physician duly licensed for the practice of medicine by a State, possession of the United States, Commonwealth of Puerto Rico, or the District of Columbia, or by a duly licensed osteopathic physician who is a graduate of a recognized and approved college of osteopathy and who is listed in the current directory of the American Osteopathic Association. Such examination may be made by a physician or osteopath who is not related to the applicant by blood or marriage, associated with him in business, or pecuniarily interested in the insurance or reinstatement of the policy. Examinations made in a foreign country by a physician duly licensed for the practice of medicine and otherwise acceptable may be accepted if submitted through the American consul. The Administrator of Veterans Affairs may re-

quire such further medical examination or additional medical evidence as may be deemed necessary and proper to establish the physical and mental condition of the applicant at the time of the application.

(b) Where physical or mental examination is required of an applicant for issuance of National Service Life Insurance under 38 U.S.C. 725, or for the issuance of any total disability income provision to be attached thereto, such examination (including any supplemental examination or tests) shall be made at the applicant's own expense, by a physician duly licensed for the practice of medicine by a State, possession of the United States, Commonwealth of Puerto Rico, or the District of Columbia, or by a duly licensed osteopathic physician who is a graduate of a recognized and approved college of osteopathy and who is listed in the current directory of the American Osteopathic Association. Such examination must be made by a physician or osteopath who is not related to the applicant by blood or marriage, associated with him in business, or pecuniarily interested in the issuance of the policy or the total disability income provision. Examinations made in a foreign country by a physician duly licensed for the practice of medicine and otherwise acceptable may be accepted if submitted through the American consul. The Administrator of Veterans Affairs may require such further medical examination or additional medical evidence as may be deemed necessary and proper to establish the physical and mental condition of the applicant at the time of the application.

§ 8.66 Expenses incident to examinations for insurance purposes.

Except as provided in § 8.64(b), necessary transportation expenses incident to physical or mental examinations for insurance purposes at regional offices or hospitals shall be furnished when the insured is ordered to report for examination at the specific request of the insurance activity concerned, or the Manager of a regional office or Director of a hospital. Such expenses will be borne by the United States and will be paid from the applicable appropriation of the Department of Medicine and Surgery. Transportation, meal and lodging requests in connection with reporting to and returning from the place of examination may be furnished the applicant, or the applicant may travel at his own expense and claim reimbursement for such travel on a mileage basis, provided prior authority has been given for the travel. Travel incident to such an examination by salaried employees of the Veterans Administration will be in accordance with the Standardized Government Travel Regulations. If such an examination is made by a medical examiner on a fee basis, payment will be made at a fee not in excess of the schedule of fees in effect and approved by the Veterans Administration for medical and professional services in the State in which the examination is made. Where no approved State fee schedule is in effect or where a fee for the type of examination author-

ized is not listed in the approved State fee schedule in effect, such examinations will be furnished at a fee not in excess of that listed in the "Guide for Charges for Medical and Ancillary Services" of the Department of Medicine and Surgery in effect at the time the examination is authorized. If the particular examination is not covered by a schedule in effect and/or the said guide, a fee not in excess of what is reasonable and customarily charged in the community concerned may be allowed.

§ 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, 8.80c or 8.81, whichever is applicable. 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. However, 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 receives any payment, the option selected for the contingent beneficiary shall have no force or effect, except as provided below in this section. 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.

14. In § 8.77(a), subparagraphs (4) and (5) are amended to read as follows:

§ 8.77 Election of optional settlement by beneficiary.

(a) * * *

(4) Except as hereinafter indicated 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. Settlement under option 4 of insurance issued under section 620 or 621 of the National Service Life Insurance Act, as amended, or 38 U.S.C. 722(a), 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. Settlement under option 4 of insurance issued under 38 U.S.C. 723(b), 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. Settlement under option 4 of insurance issued under 38 U.S.C. 725 is not available if a male beneficiary is

74 or more years of age or if a female beneficiary is 77 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, 8.80d and 8.81a.)

15. Section 8.78 is revised to read as follows:

§ 8.78 Values for optional settlements.

The values for optional settlements on National Service Life Insurance are based on an insurance of \$1,000 without indebtedness. If there is an indebtedness under a National Service Life Insurance policy, the values will be decreased accordingly. If the policy provided for a smaller or larger amount of insurance than \$1,000 the values will be decreased or increased proportionately.

16. In § 8.79, the headnote and the introductory portion preceding "Option 1" is amended to read as follows:

§ 8.79 Optional settlements on participating National Service Life Insurance and nonparticipating insurance issued under section 602(c)(2) of the National Service Life Insurance Act, as amended, on which the requirements of good health were waived.

The optional settlements under such a National Service Life Insurance policy maturing on or after August 1, 1946, are as follows:

17. Section 8.80a is revised to read as follows:

§ 8.80a Payment to a beneficiary where the monthly installment of participating National Service Life Insurance and nonparticipating insurance issued under section 602(c)(2) of the National Service Life Insurance Act, as amended, on which the requirements of good health were waived, 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	\$84.47
24	42.86

18. Sections 8.81 and 8.81a are added to read as follows:

§ 8.81 Optional settlements on insurance issued under the provisions of section 725 of title 38, United States Code.

The optional settlements under a National Service Life Insurance policy issued under the provisions of 38 U.S.C. 725 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:

Number of monthly installments	Amount of each monthly installment	Number of monthly installments	Amount of each monthly installment
36	\$29.19	144	\$8.46
48	22.27	156	7.94
60	18.12	168	7.49
72	15.35	180	7.10
84	13.38	192	6.76
96	11.90	204	6.47
108	10.75	216	6.20
120	9.83	228	5.97
132	9.09	240	5.75

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:

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	\$3.28	\$3.20
11	3.30	3.21
12	3.31	3.22
13	3.33	3.24
14	3.35	3.25
15	3.36	3.26
16	3.38	3.28
17	3.40	3.30
18	3.42	3.31
19	3.44	3.33
20	3.47	3.35
21	3.49	3.37
22	3.52	3.38
23	3.54	3.40
24	3.57	3.43
25	3.60	3.45
26	3.63	3.47
27	3.66	3.49
28	3.69	3.52
29	3.72	3.55
30	3.76	3.57
31	3.80	3.60
32	3.84	3.63
33	3.88	3.66
34	3.92	3.70
35	3.97	3.73
36	4.02	3.77
37	4.07	3.80
38	4.12	3.84

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
39	\$4.17	\$3.89
40	4.23	3.93
41	4.29	3.98
42	4.36	4.02
43	4.42	4.07
44	4.49	4.13
45	4.57	4.18
46	4.64	4.24
47	4.72	4.30
48	4.80	4.37
49	4.89	4.44
50	4.98	4.51
51	5.07	4.59
52	5.17	4.67
53	5.27	4.75
54	5.37	4.84
55	5.48	4.94
56	5.59	5.03
57	5.71	5.14
58	5.83	5.25
59	5.96	5.37
60	6.09	5.49
61	6.23	5.62
62	6.38	5.76
63	6.53	5.90
64	6.69	6.05
65	6.84	6.20
66	7.01	6.37
67	7.18	6.54
68	7.35	6.71
69	7.52	6.90
70	7.70	7.09
71	7.88	7.28
72	8.05	7.47
73	8.22	7.67
74	8.39	7.87
75	8.56	8.07
76	8.72	8.26
77	8.87	8.45
78	9.01	8.64
79	9.14	8.81
80	9.26	8.97
81	9.36	9.12
82	9.46	9.25
83	9.54	9.37
84	9.60	9.48
85	9.66	9.56
86	9.71	9.63
87	9.74	9.69
88	9.77	9.74
89	9.79	9.77
90	9.81	9.79
91	9.82	9.81
92	9.82	9.82
93 and over	9.83	9.83

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 74 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 77 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 73 for a male beneficiary and 76 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	306	\$3.27	314	\$3.19
11	305	3.28	313	3.20
12	304	3.30	312	3.21
13	302	3.32	310	3.23
14	301	3.33	309	3.24
15	299	3.35	308	3.25
16	297	3.37	306	3.27
17	295	3.39	305	3.28
18	294	3.41	304	3.30
19	292	3.43	302	3.32
20	290	3.45	301	3.33
21	289	3.47	299	3.35
22	287	3.49	297	3.37
23	285	3.52	295	3.39
24	283	3.54	294	3.41
25	281	3.57	292	3.43
26	278	3.60	290	3.45
27	276	3.63	288	3.48
28	274	3.66	286	3.50
29	272	3.69	285	3.52
30	269	3.72	282	3.55
31	266	3.76	280	3.58
32	264	3.79	278	3.60
33	262	3.83	276	3.63
34	259	3.87	274	3.66
35	256	3.91	271	3.70
36	254	3.95	269	3.73
37	251	3.99	266	3.76
38	248	4.04	264	3.80
39	245	4.09	261	3.84
40	242	4.14	258	3.88
41	239	4.19	256	3.92
42	236	4.24	253	3.96
43	233	4.30	250	4.01
44	230	4.36	247	4.06
45	227	4.42	244	4.11
46	224	4.48	241	4.16
47	220	4.55	237	4.22
48	217	4.62	234	4.28
49	214	4.69	231	4.34
50	210	4.77	228	4.40
51	207	4.85	224	4.47
52	203	4.93	221	4.54
53	200	5.02	217	4.61
54	196	5.11	214	4.69
55	192	5.21	210	4.77
56	189	5.31	206	4.86
57	185	5.41	203	4.95
58	182	5.52	199	5.05
59	178	5.64	195	5.15
60	174	5.76	191	5.26
61	170	5.89	186	5.38
62	166	6.03	182	5.50
63	163	6.17	178	5.62
64	159	6.32	174	5.76
65	155	6.48	170	5.90
66	151	6.65	166	6.05
67	147	6.83	161	6.22
68	143	7.02	157	6.39
69	139	7.22	153	6.57
70	135	7.44	148	6.76
71	131	7.66	144	6.97
72	127	7.90	140	7.19
73	123	8.16	135	7.43
74			131	7.67
75			127	7.93
76			123	8.22

1. For ages under 10, use age 10 value.
2. For male beneficiaries over age 73 and for females over age 76 use Option 3.

§ 8.81a Payment to a beneficiary where the monthly installment of insurance, issued under 38 U.S.C. 725, 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	\$84.65
24	\$43.05

19. In § 8.85, paragraph (c) is amended 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.

(c) Limited convertible 5-year level premium term insurance issued under the provisions of 38 U.S.C. 723(b) may not be renewed after the insured's 50th birthday. However, in any case in which the insured under a limited convertible term policy is totally disabled at the expiration of the term period ending on or after his 50th birthday and, except for the provision prohibiting renewal, the insured would be entitled to continued protection and waiver of premiums under 38 U.S.C. 712, the term

insurance, in the absence of instructions from the insured to the contrary, shall be automatically converted in the same amount to an ordinary life policy. The ordinary life policy shall be issued on the same reserve basis as the limited convertible term insurance and will become effective as of the day following the expiration of the term period. The premiums for the ordinary life policy will be the applicable premium rate for the attained age of the insured on the effective date.

20. 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, 8.80c, or 8.81, whichever is applicable, has been selected by the insured or the designated beneficiary. The monthly installments, without interest, which have accrued since 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.

21. In § 8.99, the headnote and the introductory portion preceding the total disability income provision is amended to read as follows:

§ 8.99 Total disability income provision for National Service Life Insurance authorized by Public Law 85-678 and section 715 of title 38, United States Code, and issued prior to January 1, 1965.

The total disability income provision for National Service Life Insurance authorized by Public Law 85-678 and section 715 of title 38, United States Code, and issued prior to January 1, 1965, is as follows:

22. § 8.99a, the headnote and the introductory portion preceding the total disability income provision is amended to read as follows:

§ 8.99a Total disability income provision for National Service Life Insurance authorized by section 715 of title 38, United States Code, as amended by Public Law 88-355, effective January 1, 1965, other than insurance issued under 38 U.S.C. 725.

The total disability income provision for National Service Life Insurance authorized by 38 U.S.C. 715, as amended by Public Law 88-355, effective January 1, 1965, other than insurance issued under 38 U.S.C. 725 is as follows:

23. A new § 8.99b is added and the former § 8.99b is revised and redesignated § 8.99c so that the added and revised sections read as follows:

§ 8.99b Total disability income provision authorized by section 715 of title 38, United States Code, for National Service Life Insurance issued under section 725 of the code.

The total disability income provision authorized by 38 U.S.C. 715 for National Service Life Insurance policies issued under 38 U.S.C. 725, is as follows:

NATIONAL SERVICE LIFE INSURANCE

TOTAL DISABILITY INCOME PROVISION

Attached to and made a part of Policy No. _____ on the life of _____

Premiums

Monthly _____
Quarterly _____
Semiannual _____
Annual _____

The premiums for this provision may be adjusted to cover the administrative costs of the insurance to the Government in the same manner as that set forth in the policy to which the provision is attached.

If the insured becomes totally disabled before his 65th birthday and remains so disabled for at least 6 consecutive months, there will be paid to the insured, for as long as the total disability continues, a monthly income of \$10 for each \$1,000 of face amount of this policy, and the payment of the premiums for this provision (as well as for this policy) will be waived, subject to the following clauses (A) to (L):

(A) Total disability is defined as any one of the following:

(1) Any impairment of mind or body which continuously renders it impossible for the insured to follow any substantially painful occupation;

(2) The permanent loss of the use of both feet, or both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye;

(3) The total loss of hearing of both ears; or

(4) The organic loss of speech.

(B) Total disability must be continuous and must exist for at least 6 consecutive months. It must have started:

(1) Before the insured's 65th birthday;

(2) After the date of application for this provision or the effective date hereof, whichever is later; and

(3) While this provision is in effect.

(C) The insured must file written application for total disability income benefits and must file the required proof that clauses (A) and (B) above have been fulfilled. The required proof must be filed while this provision is in force or within 1 year after this provision has ceased to be in effect. In the event the insured dies without filing application and the Administrator finds that the insured's failure to file such application was due to circumstances beyond the insured's control, the application and required proof may be filed by the beneficiary within 1 year after the date of death of the insured. In such cases, except for total disability which is due to one of the specific causes listed in (A)(2), (A)(3), and (A)(4) above, the monthly income payments may relate back to a date not exceeding 6 months prior to the date of death of the insured.

(D) The disability income payments will be paid from the first day of the seventh consecutive month of continuous total disability, except that if the total disability is not due to one of the specific causes listed in (A)(2), (A)(3), and (A)(4) above, the disability income payments will not relate back to a date more than 6 months prior to receipt at the Veterans Administration of the required proof, except as provided above in clause (C). Any disability income payments

due the insured and not paid during his lifetime will be paid to the person entitled to the proceeds of this policy.

(E) Waiver of the payment of premiums for this provision (as well as for this policy) will be made effective with the first monthly premium due after the start of the continuous total disability, except that premiums due more than 1 year prior to receipt of claim will be waived only if the Administrator finds that the insured's failure to submit timely claim or satisfactory evidence of continuance of total disability was due to circumstances beyond the insured's control. Waiver of premiums will continue for as long as the total disability continues. Premiums paid to cover a period during which waiver of premiums is effective will be refunded without interest to the insured if living, otherwise to the person entitled to the proceeds of this policy.

(F) Notwithstanding the fact that proof of total disability may have been accepted as satisfactory, the Administrator may at any time require proof of continuance of total disability. If the insured fails to furnish evidence satisfactory to the Administrator of the continuance of such total disability, or if it appears to the Administrator that the insured is not totally disabled, no further total disability income payments will accrue and no further waiver of the payment of premiums will be granted. Thereafter, premiums on this policy (including this provision) will become due and payable as provided in the policy and in this provision.

(G) This provision will cease to be in effect on the insured's 65th birthday, or if this policy or this provision lapses, or if this policy is surrendered for its net cash value, or for extended term insurance, or is surrendered for paid-up life insurance of less than \$1,000, or if the policy matures as an endowment.

(H) If this policy is surrendered for paid-up life insurance of not less than \$1,000 face amount, this provision may be continued by the payment of the required premiums as they become due. In that event the face amount of this policy, for the purposes of this provision only, will be the largest multiple of \$500 which does not exceed the amount of the paid-up life insurance.

(I) If this provision has lapsed, it may be reinstated within 5 years from the date of lapse, but not thereafter, provided the following requirements are met:

(1) A written application signed by the insured, and evidence of health satisfactory to the Administrator must be furnished.

(2) The required premiums and interest must be paid.

(J) If there is a change of plan under this policy which results in a larger premium for this provision, then in order to continue this provision there must also be paid (1) the differences between the premiums already paid for this provision and those that would have been paid for this provision had this policy been in force on the new plan when this provision originally became effective, and (2) interest on such differences at the rate of 3½ percent a year compounded annually. To this extent the provision entitled "Change of Plan" is modified.

(K) The benefits provided for in this provision will be in addition to all other benefits and privileges under this policy. Disability income payments made under this provision will not reduce the face amount of this policy.

(L) This provision is granted in consideration of the application, evidence of good health, and payment of the monthly premium shown above (in addition to the monthly premium stated on the face of this policy), as well as any adjustments of such premiums, and the payment thereafter of the required premium on each succeeding monthly premium due date of this policy. Except as otherwise provided herein, premiums for this

provision are payable to the insured's 65th birthday or until the end of the premium-paying period of this policy, if earlier. If any premium for this provision is not paid before the end of the 31-day grace period, this provision will lapse as of the due date of that premium. Premiums for this provision may be paid quarterly, semiannually, or annually, in advance, but must be paid in the same manner as the premiums for this policy.

This provision takes effect on this _____ day of _____ 19____.

(S) ADMINISTRATOR OF VETERANS AFFAIRS.

§ 8.99c Premium rates for the total disability income provision authorized by section 715 of title 38, United States Code, as amended by Public Law 88-355.

The premium rates for the total disability income provision authorized by section 715 of title 38, United States Code, as amended by Public Law 88-355, are published in Veterans Administration Pamphlet 29-13 and Veterans Administration Pamphlet 29-13A. If the total disability income provision is attached to a policy of insurance issued under 38 U.S.C. 725, or to a modified life plan of such insurance issued under 38 U.S.C. 704(c), the premium for the provision may be adjusted to cover administrative cost to the Government of the insurance as set forth in the policy.

24. Section 8.102 is revised to read as follows:

§ 8.102 Crediting of premiums to and payment of benefits from the National Service Life Insurance appropriation.

(a) All premiums and other collections on insurance granted or reinstated, pursuant to the following provisions of law, and on any total disability income provision attached thereto, shall be credited directly to the National Service Life Insurance appropriation:

(1) The second sentence of section 602 (c) (2), or the first proviso of section 602(v) (1) of the National Service Life Insurance Act, as amended August 1, 1946;

(2) 38 U.S.C. 725(c); and

(3) Policies of insurance referred to in subparagraphs (1) and (2) of this paragraph issued on the modified life or ordinary life plans under 38 U.S.C. 704 (c) or (d), respectively.

(b) Any payment of benefits on insurance granted, deemed to have been granted, continued in force, or reinstated pursuant to the following provisions of law, and on any total disability income provision attached thereto, shall be made directly from the National Service Life Insurance appropriation:

(1) The second sentence of section 602 (c) (2), section 602(c) (3), section 602 (m) (2), section 602(p), or the first proviso of section 602(v) (1) of the National Service Life Insurance Act, as amended;

(2) 38 U.S.C. 725(c); and

(3) Policies of insurance referred to in subparagraphs (1) and (2) of this paragraph issued on the modified life or ordinary life plans under 38 U.S.C. 704 (c) or (d), respectively.

25. In § 8.103, the headnote and paragraphs (a) and (b) are amended and

paragraph (c) is added so that the amended and added material reads as follows:

§ 8.103 Crediting of premiums to and payment of benefits from the Service-Disabled Veterans' Insurance Fund, the Veterans' Special Term Insurance Fund and the revolving fund for insurance issued under 38 U.S.C. 725(b).

(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 38 U.S.C. 722(a), and for any modified life or ordinary life plans of such insurance issued under 38 U.S.C. 704 (c) or (d), shall be credited directly to a fund in the Treasury of the United States to be known as the Service-Disabled Veterans' Insurance Fund. 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 38 U.S.C. 723(b), and for any modified life or ordinary life plans of such insurance issued under 38 U.S.C. 704 (c) or (d), and any total disability income provision attached 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. Any payments on such insurance and any total disability income provision attached thereto shall be made directly from such fund.

(c) All premiums and other collections for insurance issued under the provisions of 38 U.S.C. 725(b), and for any modified life or ordinary life plans of such insurance issued under 38 U.S.C. 704 (c) or (d), and for any total disability income provision attached thereto, shall be credited directly to a revolving fund in the Treasury of the United States. Any payments on such insurance and any total disability income provision attached thereto shall be made directly from such fund.

26. In § 8.108, the introductory portion preceding paragraph (a) is amended, the note "Policy plans in paragraphs (g) through (q) of this section are nonparticipating" is deleted, and paragraphs (r) through (v) are added to read as follows:

§ 8.108 Forms of policies.

The forms of policies of insurance, listed in paragraphs (a) through (v) of this section, are hereby prescribed for use in granting National Service Life Insurance applied for in accordance with the provisions of the National Service Life Insurance Act of 1940, and the National Service Life Insurance provisions of title 38, United States Code, amendments and supplements thereto, and Veterans Administration regulations promulgated pursuant thereto. Contracts of insurance authorized to be made in accordance with the terms and conditions set forth in the forms and policy plans listed in paragraphs (a) through (v) of this section are subject in all respects to the applicable provisions of

title 38, United States Code, amendments and supplements thereto, and applicable Veterans Administration regulations promulgated pursuant thereto, all of which together with the insured's application, required evidence of health, including physical examination, if required, and tender of premium shall constitute the contract. Any such policy that has been or is hereafter issued or reinstated under any provision of the law which provides for premiums being credited to other than the National Service Life Insurance Fund shall not participate in any gains or savings of such funds.

(r) Ordinary life plan; Twenty payment life plan; and Thirty payment life plan; (VA Forms 29-8168, 29-8169, and 29-8170).

(s) Twenty year endowment plan; Endowment plan maturing at age 60; and Endowment plan maturing at age 65; (VA Forms 29-8171, 29-8172, and 29-8173).

(t) Modified life plan; (VA Forms 29-8161, 29-8162, 29-8163, 29-8164, 29-8165, 29-8166, and 29-8167).

(u) Ordinary life plan at age 65; (VA Forms 29-8175, 29-8176, 29-8177, 29-8178, 29-8179, 29-8180, and 29-8181).

(v) One year net single premium endowment plan; (VA Form 29-8174).

27. Section 8.111 is 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 38 U.S.C. 722(a) 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 2½ 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 2½ per centum per annum; (3) all such insurance shall be issued on a nonparticipating basis; (4) waiver of premiums under 38 U.S.C. 712 shall not be denied because the service-connected disability of the applicant became total in degree prior to the effective date of such insurance; (5) effective May 1, 1965, insurance issued under 38 U.S.C. 722(a) on the modified life plan shall be issued under the same terms and conditions as are provided in this paragraph, except that at the end of the day preceding the 65th birthday of the insured, the face value of the modified life plan policy in force by payment or waiver of premiums and the amount of any extended term insurance thereunder shall be automatically reduced by one-half thereof, without any reduction in the premium; any indebtedness against the

policy at the time of reduction will be continued on the reduced amount of insurance; and if the policy is on extended term insurance at the end of the day preceding the 65th birthday of the insured the provisions of § 8.29(c) shall apply; (6) the modified life plan policy cannot be issued if the applicant has attained the insurance age of 61 years and must be effective before such date.

(b) National Service Life Insurance granted under section 620 of the National Service Life Insurance Act, as amended and 38 U.S.C. 722(a), shall be on one or more of the following plans: 5-year level premium term, modified life, ordinary life, 20-payment life, 30-payment life, 20-year endowment, endowment at age 60, and endowment at age 65. No insurance shall be issued on an endowment plan if the applicant is totally disabled. Insurance issued under said section 620 and 38 U.S.C. 722(a) shall be in the amount of not more than \$10,000 nor less than \$1,000 in multiples of \$500, and no policy may be issued for less than \$1,000. However, ordinary life plan insurance issued under 38 U.S.C. 704(d) to replace any amount of insurance reduced under a modified life plan policy by reason of attainment of age 65, shall be issued in an amount of not less than \$500, in multiples of \$250, but not in excess of one-half of the face amount of the modified life policy in force by payment or waiver of premiums on the day before the insured's 65th birthday. 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. In § 8.112, paragraph (b) is amended to read as follows:

§ 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.

(b) Effective January 1, 1969, 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 5-year level premium term insurance issued pursuant to 38 U.S.C. 723(b). National Service Life Insurance issued pursuant to 38 U.S.C. 723(b) 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 50th 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 attached thereto shall be non-participating. Insurance issued under 38 U.S.C. 723(b) 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. However, ordinary life plan insurance issued under 38 U.S.C. 704(d) to replace any amount of insurance reduced under a modified life plan policy by reason of attainment of age 65, shall be issued in an amount of not less than \$500, in multiples of \$250, but not in excess of one-half of the face amount of the modified life plan policy in force by payment or waiver of premiums on the day before the insured's 65th birthday.

29. Sections 8.112a and 8.112b are added to read as follows:

§ 8.112a National Service Life Insurance issued under section 725 of title 38, United States Code.

(a) National Service Life Insurance may be granted under the provisions of 38 U.S.C. 725(b), on and after May 1, 1965, and prior to May 3, 1966, to persons referred to in § 8.0(d) (2) (i). It shall be issued under the same terms and conditions as are contained in standard policies of National Service Life Insurance, except (1) 5-year level premium term insurance may not be issued; (2) the net premium rates shall be based on the 1958 Commissioners Standard Ordinary Basic Mortality Table, adjusted at the time of issue as the Administrator determines to be necessary for sound actuarial operations, and thereafter such premiums may be adjusted as the Administrator determines to be so necessary but at intervals of not less than 2 years; (3) an additional premium to cover administrative costs to the Government as determined by the Administrator at time of issue shall be charged for insurance issued under 38 U.S.C. 725(b) and for any total disability income provision attached thereto, and thereafter such costs may be adjusted as the Administrator determines to be necessary but at intervals of not less than 5 years; (4) all cash, loan, extended and paid-up insurance values shall be based on the 1958 Commissioners Standard Ordinary Basic Mortality Table; (5) all settlements on policies involving annuities shall be calculated on the basis of the Annuity Table for 1949; (6) all calculations in connection with insurance issued under 38 U.S.C. 725(b) shall be based on interest at the rate of 3½ per centum per annum; (7) the insurance or any provision attached thereto cannot be reinstated if it has been lapsed for more than 5 years; (8) the insurance and any total disability income provision attached thereto shall be issued on a nonparticipating basis; (9) extended term insurance shall not be available prior to the completion of the first policy year and premiums for such year must have been paid or waived; (10) the effective date of the insurance shall be the date the application and tender of premiums therefor are mailed or otherwise delivered to the Veterans Administra-

tion; (11) insurance issued under 38 U.S.C. 704(c) and 725(b) on the modified life plan shall be issued under the same terms and conditions as are provided in this paragraph, except that at the end of the day preceding the 65th birthday of the insured, the face value of the modified life plan policy in force by payment or waiver of premiums and the amount of any extended term insurance thereunder shall be automatically reduced by one-half thereof, without any reduction in the premium; any indebtedness against the policy at the time of reduction will be continued on the reduced amount of insurance; and if the policy is on extended term insurance at the end of the day preceding the 65th birthday of the insured the provisions of § 8.29(c) shall apply; and (12) the modified life plan policy cannot be issued if the applicant has attained the insurance age of 61 years.

(b) National Service Life Insurance may be granted under the provisions of 38 U.S.C. 725(c), on and after May 1, 1965, and prior to May 3, 1966, to persons referred to in § 8.0(d) (2) (ii). Such insurance shall be issued under the same terms and conditions as are contained in standard policies of National Service Life Insurance, except (1) 5-year level premium term insurance may not be issued; (2) the premiums charged for the insurance issued under 38 U.S.C. 725(c) may be adjusted at the time of issue as the Administrator determines to be necessary for sound actuarial operations and thereafter such premiums may be adjusted from time to time as the Administrator determines to be so necessary; for the purpose of establishing the initial premium rates for insurance issued under 38 U.S.C. 725(c), and for any subsequent adjustment thereof, the service-connected disabled group and non-service-connected disabled group may be separately classified, and charged a different premium rate for the protection granted; and individuals within each of the two groups may be separately rated, depending upon the nature of their impairment and the risk involved; (3) an additional premium to cover administrative costs to the Government as determined by the Administrator at the time of issue shall be charged for insurance issued under 38 U.S.C. 725(c) and for any total disability income provision attached thereto (for which the insured may subsequently become eligible) and thereafter such costs may be adjusted as the Administrator determines to be necessary but at intervals of not less than 5 years and for this purpose the service-connected and non-service-connected can be separately classified; (4) the insurance and any total disability income provision attached thereto shall be issued on a nonparticipating basis; (5) all settlements on policies involving annuities shall be calculated on the basis of the Annuity Table for 1949; (6) all calculations in connection with insurance issued under 38 U.S.C. 725(c) shall be based on interest at the rate of 3½ per centum per annum; (7) the insurance or any provision attached thereto cannot be reinstated if it has been lapsed for more than 5 years; (8) extended term insurance shall not be available prior to

the completion of the first policy year and premiums for such year must be paid or waived; (9) the effective date of the insurance shall be the date the application and tender of premiums therefor are mailed or otherwise delivered to the Veterans Administration; (10) insurance issued under 38 U.S.C. 704(c) and 725(c) on the modified life plan shall be issued under the same terms and conditions as are provided in this paragraph, except that at the end of the day preceding the 65th birthday of the insured, the face value of the modified life plan policy in force by payment or waiver of premiums and the amount of any extended term insurance thereunder shall be automatically reduced by one-half thereof, without any reduction in the premium; any indebtedness against the policy at the time of reduction will be continued on the reduced amount of insurance; and if the policy is on extended term insurance at the end of the day preceding the 65th birthday of the insured the provisions of § 8.29(c) shall apply; and (11) the modified life plan policy cannot be issued if the applicant has attained the insurance age of 61 years.

(c) National Service Life Insurance may be granted under the provisions of 38 U.S.C. 725(c), on or after May 1, 1965, and prior to May 3, 1966, to persons referred to in § 8.0(d) (2) (iii). Such insurance shall be issued in accordance with the provisions of paragraphs (b) and (c) of this section and with the following additional provisions:

(1) The insurance shall not be payable for death of the insured which occurs within 1 year from the effective date if such death is caused or is contributed to directly or indirectly by

(i) bodily or mental (including nervous) illness, injury, infirmity or disease of any kind or any medical or surgical treatment of such illness, injury, infirmity or disease which existed on the effective date of such insurance; or by

(ii) any other bodily, or mental (including nervous) illness, injury, infirmity or disease arising as a complication or sequela of or secondary to progress or treatment of the bodily or mental (including nervous) illness, injury, infirmity or disease which existed on the effective date of such insurance.

(2) The insurance shall not be payable if the insured, while sane or insane, shall commit suicide within 1 year from the effective date;

(3) If the insurance is not payable for death within 1 year from the effective date as set forth in subparagraphs (1) and (2) of this paragraph the premiums paid, without interest, less any indebtedness will be paid to the designated beneficiary, if living, otherwise to the insured's estate;

(4) If the insurance matures by death of the insured within 1 year from the effective date, the claimant will be required to submit notice of death and proof of the cause of death to Veterans Administration office which has jurisdiction over the insurance records as soon as practicable after death and in any event not later than 90 days from the date of death of the insured. In such cases the Veterans Administration shall have the

right and opportunity to investigate the circumstances of death, to examine the body and, if not prohibited by law, to make an autopsy.

(d) A 1-year net single premium endowment policy of National Service Life Insurance may be granted on or after May 1, 1965, and prior to May 3, 1966, to persons referred to in § 8.0(d) (2) (iii) in lieu of insurance issued to such persons under paragraph (c) of this section. Such 1-year net single premium endowment policy will be issued under the following terms and conditions: (1) It will be issued in an amount of not more than \$10,000 nor less than \$1,000 in multiples of \$500 but no policy may be issued for less than \$1,000; (2) The single premium for the policy will be \$966.18 per \$1,000 of insurance plus an additional charge for administrative cost; (3) The policy shall be effective as of the date the application and payment of the single required premium is mailed or otherwise delivered to the Veterans Administration; (4) The policy will have no loan, paid-up or extended insurance values, but will have a cash value as provided in this paragraph; (5) The cash value of the 1-year endowment policy at the end of the first policy month or at any time thereafter during the remainder of the 1-year period shall be \$966.18 plus one-twelfth of \$33.82 per \$1,000 of face amount of insurance for each completed policy month the insurance has been in force. 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 for at least one month. Unless otherwise requested by the insured, a surrender will be deemed completed as of the end of the premium month in which the application for cash surrender is mailed or otherwise delivered to the Veterans Administration, or as of the date of the check for the cash value, whichever is the later; (6) The policy shall be issued on a nonparticipating basis; (7) If the policy matures as an endowment it will be paid to the insured in a lump sum or in accordance with the provisions of §§ 8.92 and 8.81; (8) If the policy matures as a death claim during the 1-year endowment period the insurance will be paid in accordance with §§ 8.77(a), 8.78, 8.81, 8.81a, 8.88, 8.89, 8.90, 8.91, and 8.94, whichever is applicable; (9) The policy cannot be exchanged for any other policy of National Service Life Insurance; (10) The policy shall contain no provision for waiver of premiums under 38 U.S.C. 712 because of the total disability of the insured; (11) The provisions of §§ 8.0 through 8.118 will not be applicable to the 1-year net single premium endowment policy except for §§ 8.0(d), 8.1, 8.46, 8.47, 8.52, 8.54, 8.55, 8.59, 8.60, 8.61, 8.62, 8.64(b), 8.71, 8.76, 8.77(a), 8.78, 8.81, 8.81a, 8.88, 8.89, 8.90, 8.91, 8.92, 8.93, 8.94, 8.102, 8.108, and 8.117; (12) The provisions of chapter 19 of title 38, United States Code, shall not apply to the 1-year single premium endowment policy except sections 701, 703, 706 as to cash value, 710, 711, 717, 718, 719(a), 725, 783, 784, 785, and 787.

The other provisions of title 38, United States Code, which are applicable to premium paying contracts of National Service Life Insurance will apply to the 1-year endowment policy.

(e) Except as provided in paragraph (d) of this section, National Service Life Insurance granted under 38 U.S.C. 725 shall be on one or more of the following plans: modified life, ordinary life, 20-payment life, 30-payment life, 20-year endowment, endowment at age 60, and endowment at age 65. Insurance issued under 38 U.S.C. 725 shall be in the amount of not more than \$10,000 nor less than \$1,000 in multiples of \$500, and no policy may be issued for less than \$1,000. However, insurance on the ordinary life plan issued under 38 U.S.C. 704(d) to replace any amount of insurance reduced under a modified life plan policy by reason of attainment of age 65 shall be issued in an amount of not less than \$500, in multiples of \$250, but not in excess of one-half of the face amount of the modified life plan policy in force by payment or waiver of premiums on the day before the insured's 65th birthday. 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.

§ 8.112b National Service Life Insurance issued on the modified life plan and on the ordinary life plan under section 704 (b), (c), and (d) of title 38, United States Code.

(a) Effective May 1, 1965, and prior to the insured attaining the insurance age of 61 years, a policy of participating insurance may be converted or exchanged in accordance with §§ 8.33, 8.34, and 8.36, whichever is applicable, for a modified life plan issued under 38 U.S.C. 704(b). Insurance issued under 38 U.S.C. 704(b) shall be on the same terms and conditions as the participating insurance it replaces, except (1) the premium rates for such insurance shall be based on the 1958 Commissioners Standard Ordinary Basic Table of Mortality and interest at the rate of 3 per centum per annum; (2) all cash, loan, paid-up and extended values shall be based on the 1958 Commissioners Standard Ordinary Basic Table of Mortality and interest at the rate of 3 per centum per annum; and (3) at the end of the day preceding the 65th birthday of the insured, the face value of the modified life plan policy in force by payment or waiver of premiums and the amount of any extended term insurance thereunder shall be automatically reduced by one-half thereof, without any reduction in the premium; any indebtedness against the policy at the time of reduction will be continued on the reduced amount of insurance; and if the policy is on extended term insurance at the end of the day preceding the 65th birthday of the insured the provisions of § 8.29(c) shall apply.

(b) Effective May 1, 1965, and prior to the insured attaining the insurance age of 61 years, a policy of nonparticipating insurance may be converted or

exchanged in accordance with §§ 8.33, 8.34, and 8.36, whichever is applicable, for a modified life plan issued under 38 U.S.C. 704(c). Insurance issued under 38 U.S.C. 704(c) shall be under the same terms and conditions as the nonparticipating insurance it replaces, except that (1) term insurance issued under section 621 of the National Service Life Insurance Act, as amended, shall be deemed for the purpose of this paragraph to have been issued under 38 U.S.C. 723(b); and (2) at the end of the day preceding the 65th birthday of the insured, the face value of the modified life plan policy in force by payment or waiver of premiums and the amount of any extended term insurance thereunder shall be automatically reduced by one-half thereof, without any reduction in the premium; any indebtedness against the policy at the time of reduction will be continued on the reduced amount of insurance; and if the policy is on extended term insurance at the end of the day preceding the 65th birthday of the insured the provisions of § 8.29(c) shall apply.

(c) National Service Life Insurance on the ordinary life plan issued under 38 U.S.C. 704(d) shall, except for the provisions concerning automatic reduction on the day preceding the insured's 65th birthday, be issued on the same terms and conditions as the insurance on the modified life plan which the ordinary life plan replaces. The premium rates, cash, loan, paid-up and extended insurance values on the ordinary life policy issued under this paragraph shall be based on the same mortality tables and interest rates as the insurance issued under the modified life policy which it replaces. However, a participating ordinary life policy issued under this paragraph can be exchanged only for another participating permanent plan policy having a higher reserve (§ 8.35) and with premium rates, reserve, loan, paid-up and extended insurance values being based on the American Experience Table of Mortality and interest at the rate of 3 per centum per annum. Settlements on ordinary life policies issued under this paragraph involving annuities shall be based on the same mortality or annuity tables and interest rates as such settlements on the modified life policy which it replaces. Waiver of premiums on the ordinary life plan under 38 U.S.C. 712 shall not be denied because the total disability of the insured commenced prior to the effective date of such policy, provided premiums were being waived under 38 U.S.C. 712 on the modified life plan policy, which the ordinary life plan replaced, on the date before the insured's 65th birthday, or such waiver of premiums is subsequently granted. Insurance on the ordinary life plan issued under this paragraph shall be granted in multiples of \$250 but not less than \$500 and such insurance shall not be granted in excess of one-half of the face amount of the modified life plan policy which was in force by payment or waiver of premiums on the day before the insured's 65th birthday.

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

These VA Regulations are effective May 1, 1965.

Approved: March 9, 1965.

By direction of the Administrator.

[SEAL] CYRIL F. BRICKFIELD,
Deputy Administrator.

[F.R. Doc. 65-2592; Filed, Mar. 18, 1965;
8:45 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter II—Bureau of Land Manage- ment, Department of the Interior

SUBCHAPTER B—LAND TENURE MANAGEMENT (2000)

[Circular 2182]

PART 2210—OCCUPANCY

Subpart 2211—Homesteads

LANDS SUBJECT TO ENTRY

The purpose of this amendment is to delete from the regulations obsolete pro-

visions concerning land subject to homestead entry. These provisions are no longer necessary because statutes authorizing them have been repealed or because all available land has been appropriated.

These rules involve matters relating to public property and are not required by law to be published as proposed rule making. This Department, nevertheless, customarily gives such notice and public procedure thereon. However, that practice is deemed unnecessary in this instance because the amendment merely deletes obsolete material and imposes no burden on applicants. Accordingly, these rules shall become effective upon publication in the *FEDERAL REGISTER*.

Section 2211.07 is revised in its entirety to read as follows:

§ 2211.07 Lands subject to entry.

(a) The laws relating to homesteads provide that homestead entry may be made on unappropriated surveyed public lands which are adaptable to agricultural use, with the following exceptions:

(1) Public lands are not subject to homestead entry if they are mineral or

saline in character. However, public lands withdrawn, classified, or valuable for coal, phosphate, nitrate, potash, oil, gas, sodium, or asphaltic minerals may be subject to homestead entry if the requirements of Subpart 2023 of this chapter are met.

(2) Public lands are not subject to homestead entry if they are occupied for purposes of trade or business.

(3) Public lands are not subject to homestead entry if they are within the limits of any withdrawal, reservation, or incorporated town or city. However, public lands withdrawn or reserved by Executive Order 6910 of November 26, 1934, as amended, or Executive Order 6964 of February 5, 1935, as amended, or by the establishment of grazing districts under section 1 of the Act of June 28, 1934 (48 Stat. 1269), as amended (43 U.S.C. 315), are subject to homestead entry if they are so classified pursuant to Part 2410 of this chapter.

JOHN A. CARVER, Jr.,
Acting Secretary of the Interior.

MARCH 13, 1965.

[F.R. Doc. 65-2813; Filed, Mar. 18, 1965;
8:46 a.m.]