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National Veterans Affairs and Rehabilitation Commission

1608 K Street, N.W. • Washington, D.C. 20006

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VA SERVICE-DISABLED VETERANS INSURANCE

The following information summary on VA Service-Disabled Veterans Insurance (SDVI), policy number prefix 'RH', is presented for use by Department and Veterans Service Officers. SDVI is a life insurance benefit associated with VA Compensation, and all veterans who receive new ratings for service-connected disabilities should be informed and assisted on this benefit during client interviews. Particular focus should be on veterans who are unable to follow substantially gainful employment due to service-connected disability, as they may qualify for free insurance coverage, and may also qualify for an extended insurance benefit as well. All veterans who are rated service-connected with severe disabilities, and who are interested in life insurance coverage, should have an SDVI policy.

1. SDVI is the only issue of direct VA life insurance for veterans currently open to new policyholders. To be eligible for coverage a veteran must apply within two years of having been rated service-connected by VA for a new, original, disability, must be in good health except for those disabilities that have been rated service-connected, and must have been released from active duty on or after April 25, 1951. VA Forms 29-4364 or 29-0151 (system generated form) are used for application, but an informal application (VA Form 21-4138, simple letter, etc.) can be made if necessary to begin VA processing. Application should be submitted to the VA Insurance Center in Philadelphia, PA. For cases where American Legion representation is involved, all SDVI items should be sent to:

The American Legion
Office of Insurance Activities
National Veterans Affairs &
Rehabilitation Commission
c/o Department of Veterans Affairs
Wissahickon Avenue & Manheim Street
P.O. Box 42938
Philadelphia, PA 19101-2938

Phone: 215-381-3022

Fax: 215-381-3183

The maximum face amount of coverage permitted by law is \$10,000. VA Pamphlet 29-9 describes this insurance issue (Web: www.insurance.va.gov/inForceGliSite/forms/29-9.htm), and contains information on plan types, premium rates, and related benefits. All VA Life Insurance Forms are available on the Web at: www.insurance.va.gov/inForceGliSite/forms/forms.htm.

Basic VA Service-Disabled Life Insurance policies, if approved, also provide for a disability waiver of their insurance premiums if an insured is totally disabled for insurance purposes. This is defined as any impairment of mind or body which continuously makes it impossible for the insured to follow any substantially gainful occupation. Generally, such disability(s) must have begun prior to the insured's 65th birthday, while the insurance was in force on a premium-paying basis, and must have been in effect for at least a period of six or more continuous months. However, disability waiver on RH policies may be granted from the effective date of the policy itself, depending on the date total disability began (if, for instance, a veteran was still on active duty, but under treatment and assigned to a medical holding unit due to severe disability. Such a time period can be used to comprise part or all of the six months disability requirement.). The age 65 time limit still applies in all cases, however. A VA Form 29-357 is used to make a formal claim for waiver of premiums, but a simple letter or statement of intent may also be used as an informal claim to begin the claim process. *A claim for waiver can be sent in at the same time the application for insurance is submitted, or any time thereafter.*

2. In addition to the waiver of premiums benefit, Congress has approved legislation which allows the VA to offer up to an additional \$20,000 Supplemental Service-Disabled (SRH) insurance coverage.

To be eligible for this extra coverage, a veteran must be insured with a basic RH policy, must qualify for a disability waiver of premiums on it, and be under age 65 when the application for Supplemental RH insurance is made. (However, application can be made early, please see below.) As in basic RH applications, an applicant for SRH insurance must be living when the application is made and received by the VA, and must be lucid enough to understand his or her actions (statements from two disinterested witnesses and, if possible, an attending medical professional should be obtained to this end if doubt on the veteran's ability to understand his or her actions reasonably exists). This coverage, if approved, must be paid for at standard RH premium rates for the type plan chosen, the amount of coverage desired up to the maximum allowed, and the age of the applicant. The disability waiver of premiums on the basic RH policy does not apply to SRH premiums due to statutory requirement. A VA Form 29-0188 is used to make formal application for this coverage, but, again, a signed letter or statement from an applicant showing his or her intent to apply for such coverage is sufficient to begin the application process.

An insured must apply for SRH coverage not later than one year from the date the VA Insurance Center advises him or her that a disability waiver of premiums has been granted on their basic RH policy. If SRH coverage is requested, a principal and contingent (if desired) beneficiary should be stipulated by the applicant as the beneficiary designation on the basic RH policy does not carry over to SRH insurance. Should none be designated, payment would be to the insured's estate. Information on type plans available and premium rates can be obtained from the VA Insurance Center, from Veterans Benefits Counselors etc., or by phoning the VA Insurance Center at 1-800-

669-8477. These plans and rates are the same as for basic RH coverage and are also contained in VA Pamphlet 29-9. If SRH is approved, premium payments can be made directly to the VA Insurance Center, or by automatic deduction from VA Disability Compensation, military retired pay or a checking account (pre-authorized debit system).

Claims for basic policy premium waiver and applications for insurance can be mailed directly to the VA Insurance Center in Philadelphia, PA, or through the co-located American Legion National VA&R office as desired.

Submittals should contain proper identifying information such as veteran's name, already existing VA insurance numbers, Social Security Number, or VA Claim number.

Please Note. Should time be considered a critical factor (due to the medical condition of the veteran) basic RH applications, claims for disability waiver of premiums and SRH applications should be directly addressed to and sent to the VA Insurance Center, so that VA processing can be governed by the postmark date of the submittal. These materials can also be FAXED into the VA Insurance Center at **215-381-3524 (Local) and 888-748-5828 (Toll Free)**.

The American Legion Office of Insurance Activities at the Philadelphia VAROIC should be notified of such actions when representation is being provided by The American Legion.

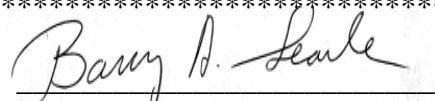
RH and SRH applications may be submitted by third parties acting on behalf of incompetent veterans if they are either a court-appointed guardian or a VA appointed fiduciary for the veteran. VA fiduciary appointments are processed by the VA Regional Office having jurisdiction over the veteran's VA Compensation.

Claims for disability waiver of premiums and applications for Supplemental Service-Disabled Life Insurance can be submitted at the same time application for basic RH coverage is made, or while a previously submitted basic RH application is still under VA development.

If an insured (or their guardian/fiduciary) feels he or she may meet the requirements for a disability waiver of premiums, and would like SRH coverage if a waiver can be approved, then it is best as a general rule that the VA be put on notice of such intent as early as possible (particularly if serious disabilities are involved or the age 65 time limit is near) so that the VA may begin to process such accordingly if the basic RH application is approved, and to have these submittals as a matter of record in the Insurance Center.

It is important to note that, should an insured become deceased shortly after making an application for RH coverage, premium waiver and SRH coverage, current VA procedure is such that the VA can still process the previously submitted applications, and may be able to render a positive decision on them if all technical requirements are met. Should SRH coverage be granted, any premiums due will be deducted from the face value of the SRH insurance .

A proactive attention to these insurance benefits can result in tax free payments currently ranging from \$10,000 to \$30,000 to a veteran's beneficiary.


BARRY A. SEARLE, Director
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Rehabilitation Commission