

Public Law 87-549

AN ACT

To amend section 742 of title 38, United States Code, to permit the exchange of five-year term policies of United States Government life insurance to a special endowment at age ninety-six plan.

July 25, 1962
[H. R. 10068]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 742 of title 38, United States Code, is amended (1) by inserting "(a)" immediately before "Regulations"; and (2) by adding at the end thereof the following:

Veterans.
U. S. Govern-
ment life insur-
ance, endowment
policies.
72 Stat. 1158.

"(b) An insured who on or after his sixty-fifth birthday has a five-year level premium term policy of insurance in force by payment of premiums may exchange such policy for insurance on a special endowment at age ninety-six plan upon written application; payment of the required premium; and surrender of the five-year level premium term policy and any total disability provision attached thereto with all rights, title, and interests thereunder. However, if it is found by the Administrator subsequent to the exchange that prior thereto the term policy matured because of total permanent disability of the insured or that he was entitled to total disability benefits under the total disability provision attached to such policy, the insured, upon surrender of the special endowment at age ninety-six policy and any provision for waiver of premiums issued under subsection (c) of this section with all rights, title, and interest thereunder, will be entitled to benefits payable under the prior contract. In such case, the cash value less any indebtedness on the endowment policy shall be refunded together with any premiums paid on a provision for waiver of premiums. Insurance on the special endowment at age ninety-six plan shall be issued at the attained age of the insured upon the same terms and conditions as are contained in standard policies of United States Government Life Insurance except:

"(1) the insurance shall not mature and no benefits shall be paid thereunder because of total permanent disability;

"(2) the premiums for such insurance shall be as prescribed by the Administrator;

"(3) such insurance cannot be exchanged, converted, or recon-verted to any other plan of insurance;

"(4) all cash, loan, paid-up, and extended term insurance values shall be as prescribed by the Administrator; and

"(5) the insurance shall be subject to such other changes in terms and conditions as the Administrator determines to be reasonable and practicable.

Exceptions.

"(c) The Administrator shall, upon application made by the insured at the same time as he exchanges his term policy for an endowment policy issued under the provisions of subsection (b) of this section, and upon payment of such extra premium as the Administrator shall prescribe, include in such endowment policy a provision for waiver of premiums on the policy and on the provision during the total permanent disability of the insured, if such disability began after the date of such application and while the policy and the provision are in force by payment of premiums. The Administrator shall not grant waiver of any premium becoming due more than one year before receipt in the Veterans' Administration of claim for the same, except as provided in this subsection. Any premiums paid for months during which waiver is effective shall be refunded. The Administrator shall provide by regulations for examination or reexamination of an insured claiming waiver of premiums under this subsection, and may deny waiver for failure to cooperate. If it is found that an insured

Waiver of pre-
miums.

is no longer totally and permanently disabled, the waiver of premiums shall cease as of the date of such finding and the policy and provision may be continued by payment of premiums as provided therein. In any case in which the Administrator finds that the insured's failure to make timely claim for waiver of premiums, or his failure to submit satisfactory evidence of the existence or continuance of total permanent disability was due to circumstances beyond his control, the Administrator may grant waiver or continuance of waiver of premiums. If the insured dies without filing claim for waiver, the beneficiary, within one year after the death of the insured, or, if the beneficiary is insane or a minor, within one year after removal of such legal disability, may file claim for waiver with evidence of the insured's right to waiver under this subsection. Policies containing a provision for waiver of premiums issued under this subsection may be separately classified for the purpose of dividend distribution from otherwise similar policies not containing such provision."

Approved July 25, 1962.

Public Law 87-550

AN ACT

To amend the Small Business Act.

July 25, 1962
[S. 2970]

Small Business
Act, amendment.
75 Stat. 666.
15 USC 633.

72 Stat. 387,
389, 689.
15 USC 636,
637, 661 note.

15 USC 636.
15 USC 637.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 4 of the Small Business Act is amended to read as follows:

"(c) There is hereby established in the Treasury a revolving fund, referred to in this section as 'the fund', for the Administration's use in financing the functions performed under sections 7(a), 7(b), and 8(a) and under the Small Business Investment Act of 1958, including the payment of administrative expenses in connection with such functions. All repayments of loans and debentures, payments of interest, and other receipts arising out of transactions financed from the fund shall be paid into the fund. As capital thereof, appropriations not to exceed \$1,666,000,000 are hereby authorized to be made to the fund, which appropriations shall remain available until expended. Not to exceed an aggregate of \$1,325,000,000 shall be outstanding at any one time for the purposes enumerated in the following sections of this Act: 7(a) (relating to regular business loans), 7(b) (relating to disaster loans), and 8(a) (relating to prime contract authority): *Provided*, That the Administration shall report promptly to the Committees on Appropriations and the Committees on Banking and Currency of the Senate and House of Representatives whenever (1) the aggregate amount outstanding for the purposes enumerated in sections 7(a) and 8(a) exceeds \$1,222,000,000, or (2) the aggregate amount outstanding for the purpose enumerated in section 7(b) exceeds \$103,000,000. Not to exceed an aggregate of \$341,000,000 shall be outstanding from the fund at any one time for the exercise of the functions of the Administration under the Small Business Investment Act of 1958. The Administration shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the outstanding cash disbursements from the fund, at rates determined by the Secretary of the Treasury, taking into consideration the current average yields on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities as calculated for the month of June preceding such fiscal year."