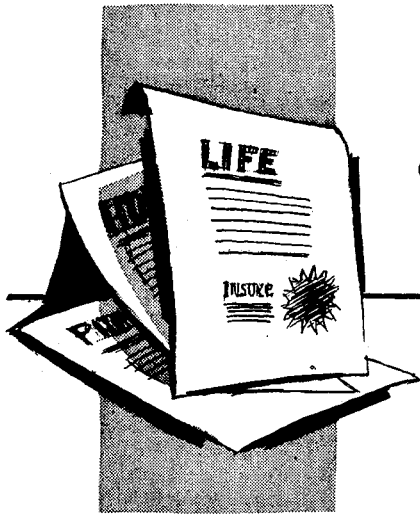




CHAPTER V

Insurance

RECOMMENDATION NO. 37

The Commission recommends that the NSLI program be reopened for a limited period to allow World War II and Korean Conflict veterans who are uninsurable at standard rates because of service-connected disabilities to apply for an additional \$10,000 insurance.

Background to Recommendation:

The idea of reopening the NSLI program has been under continuous discussion since the 1951 closing of the program. Congress authorized a limited reopening program from May 1965 to May 1966. The response indicated there would be little interest in a general reopening.

Each World War II and Korean veteran had the opportunity to continue his Government insurance, following separation from service. Those veterans in good health upon separation were also able to fulfill any additional insurance needs through commercial coverage at standard rates. Those coming out of service with a serious service-connected disability were not so fortunate--if they retained their Government insurance, their maximum coverage was \$10,000 because they were uninsurable in the eyes of the commercial industry. If they did not retain their Government insurance, their dependents were destined to absorb the misfortune created by the military service-connected disability.