The Commission believes that an added $10,000 insurance should be made available at standard rates for World War II and Korean veterans who are uninsurable at standard rates because of service-connected disability. This coverage would be in addition to any they already have. This addition would bring him up to the status of the man in similar condition discharged from service today.

RECOMMENDATION NO. 38

The Commission recommends that the Veterans Administration pursue the possibility of double indemnity for Government insurance policies, with the commercial insurance industry, and if not inordinately expensive, that it be added to the veterans insurance program.

Background to Recommendation:

The veterans insurance program has been limited to $10,000 since its inauguration in the War Risk Program of 1917. This limit continued in the establishment of USGLI in 1919, NSLI in 1940, VSLI and SDVI in 1951, and VRI and SGLI in 1965.

The insurance industry offers the optional double indemnity rider benefit to policyholders, at a small additional cost, and has done so for many years. Double indemnity offers an inexpensive means by which the insured may afford an additional measure of protection to his survivors.

The Commission finds value in providing the option of double indemnity coverage to veterans. Therefore, we recommend that the VA study this problem. If it is practicable and not inordinately expensive, the double indemnity option should be added to the veterans insurance program.

It is assumed the commercial insurance industry would be willing to negotiate a premium rate to cover the cost of double indemnity, just as the industry was willing to do for Servicemen's Group Life Insurance. The total costs for double indemnity on USGLI and NSLI could be paid from Fund earnings, resulting in no cost to the Government, and no out-of-pocket costs to the insured. If extended to VSLI and VRI policies, this would also be true regarding these Fund earnings. For the SDVI Program, there are no Fund earnings. For this reason, additional appropriations would be necessary.