

SUPPORTING STATEMENT  
APPLICATION BY INSURED TERMINALLY ILL  
PERSON FOR ACCELERATED BENEFIT 38 CFR 9.14(e)  
2900-0618

A. JUSTIFICATION:

1. VA has amended regulations for the Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) programs to add accelerated death benefit (Accelerated Benefit) provisions that permit terminally ill policyholders access to the death benefits of their policies before they die. Traditionally, an individual purchases life insurance in order to safeguard his or her dependents against major financial loss due to his or her death. Life insurance serves to replace the lost income of an insured and to provide for his or her final expenses. In recent years, the insurance industry has recognized the financial needs of terminally ill policyholders and has begun offering policies with accelerated benefit provisions. A recent statutory amendment (Section 302 of the Veterans Programs Enhancement Act of 1998, Pub. L. 105-368, 112 Stat. 3315, 3332-3333) added section 1980 to Title 38, United States Code, which extends an accelerated benefit option to terminally ill persons insured in the SGLI and VGLI programs.

2. In 38 CFR 9.14(e), VA would require that a terminally ill person insured under SGLI or VGLI who wants to receive a lump sum payment to the insured prior to the insured's death of a portion of the insurance must submit to Prudential Life Insurance's Office of Servicemembers' Group Life Insurance a completed application for an Accelerated Benefit. The application must be on a form set forth in Sec. 9.14(e) which includes a medical prognosis by a physician stating the life expectancy of the insured person and a statement by the insured of what portion of the insurance he or she requests. Sec. 9.14(e) provides the necessary information on how to obtain an application form entitled "Claim for Accelerated Benefits". The form may be obtained by writing to the Office of Servicemembers' Group Life Insurance ABO Claim Processing, 290 West Mt. Pleasant Avenue, Livingston, NJ 07039, or by calling the Office of Servicemembers' Group Life Insurance toll-free at 1-800-419-1473, or by downloading the form from the internet at [www.insurance.va.gov](http://www.insurance.va.gov). The information is needed to comply with the statutory provisions permitting an insured person who is terminally ill to request payment of a portion of the face value of the insured person's SGLI or VGLI insurance as an Accelerated Benefit.

3. The use of automated collection techniques is not anticipated.

4. There is no duplication associated with this collection of information.

5. The impact on small businesses and other small entities is minimized by using “standard” or data routinely maintained by physicians. The collection of information has been thoroughly analyzed to ensure that all requested data is essential.

6. If VA does not require this information, the Department would have no way of knowing whether or not the insured wanted to receive a lump sum payment prior to his/her death.

7. The collection of information does not require any special circumstance.

8. The Department notice was published in the Federal Register on May 19, 2008, Volume 73, Number 97, page 28860. No comments were received.

9. No payments or gifts are provided to respondents.

10. The information collection conforms to the Privacy Act of 1974 and is subject to the conditions of disclosure contained therein. The records are maintained in the system identified as 36VA00 “Veterans and Armed Forces Personnel United States Government Life Insurance Records-VA” as contained in the Privacy Act Issuances, 1993 Compilation, Volume II.

11. There are no questions of a sensitive nature.

12. Estimated Annual Information Collection Burden

- |  |            |
|--|------------|
| a. Number of estimated annual respondents  | 200        |
| b. Frequency of response   | One-time   |
| c. Complete time   | 12 minutes |
| d. Burden hours  | 40         |
| e. Total estimated cost to respondent is \$600, based on 40 hours x \$15 per hour. |            |

13. This submission does not involve any recordkeeping costs.

There is no estimated cost to the Federal Government.

14. There have not been any program changes or adjustments.

15. There are no plans to publish the results of this information collection.

16. The information collection is not for publication or tabulation use.

17. This collection of information complies with the requirements of 5 CFR 1320.8(b) (3) except as follows. The proposed rule does not contain in its text the estimated burden of the collection of information. The proposed rule states the nature of the information to be collected , but it does not state the confidentiality of that information. VA requests an exemption from providing the above information as part of the regulation. To publish as part of the regulation all information required by 5 CFR 1320.8(b)(3) would mean that each time the information required by the rule changed, for example, a change in one of the reports to be kept, the proposed rule would have to go through the regulatory process again even though the purpose of the proposed rule would be unchanged. This is contrary to the purpose of the Code of Federal Regulations. Secondly, to put all information in the regulation would make the proposed rule unnecessarily long. This is contrary to the President's goal, expressed in Section 1(b)(12) of Executive Order 12866 that regulations be simple.

18. This submission does not contain any exceptions to the certification statement.

#### **B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

No statistical methods are used in this collection of information.