

SUPPORTING STATEMENT
FOR SGLV 8284,
APPLICATION BY INSURED TERMINALLY ILL
PERSON FOR ACCELERATED BENEFIT 38 CFR 9.14(e)
2900-0618

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. 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 rule for Accelerated Benefits Option for Servicemembers' Group Life Insurance and Veterans Group Life Insurance was published in the Federal Register on June 12, 2014, Volume 79, No. 113, pages 33811-33812. No comments were received in response to this notice.
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. Burden hours 40
 - d. Estimated Completion Time: 12 minutes
 - e. According to the U.S. Bureau of Labor Statistics Average Hourly Earnings, the cost to the respondent is \$24, making the total cost to the respondents an estimated \$960.00. (40 burden hours X \$24 per hour).
13. This submission does not involve any recordkeeping costs.
14. There is no estimated cost to the Federal Government. The information on this form is not collected by VA, we just provide it as a service to our veterans on our website. Once the information is completed by the veteran, the form is returned to the Department of Defense. The information is collected by DOD, not VA.
15. There have not been any program changes or adjustments. The expiration date is being added to the form.
16. There are no plans to publish the results of this information collection.
17. We are not seeking approval to omit the expiration date for OMB approval.
18. This submission does not contain any exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of information does not employ statistical methods.