

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

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# H. R. 2046

## AN ACT

To amend the Servicemembers Civil Relief Act to limit premium increases on reinstated health insurance on servicemembers who are released from active military service, and for other purposes.



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## AN ACT

To amend the Servicemembers Civil Relief Act to limit premium increases on reinstated health insurance on servicemembers who are released from active military service, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Servicemembers’  
3 Health Insurance Protection Act of 2005”.

4 **SEC. 2. LIMITATION ON PREMIUM INCREASES FOR REIN-**  
5 **STATED HEALTH INSURANCE OF**  
6 **SERVICEMEMBERS RELEASED FROM ACTIVE**  
7 **MILITARY SERVICE.**

8 (a) **PREMIUM PROTECTION.**—Section 704 of the  
9 Servicemembers Civil Relief Act (50 U.S.C. App. 594) is  
10 amended by adding at the end the following new sub-  
11 section:

12 “(e) **LIMITATION ON PREMIUM INCREASES.**—

13 “(1) **PREMIUM PROTECTION.**—The amount of  
14 the premium for health insurance coverage that was  
15 terminated by a servicemember and required to be  
16 reinstated under subsection (a) may not be in-  
17 creased, for the balance of the period for which cov-  
18 erage would have been continued had the coverage  
19 not been terminated, to an amount greater than the  
20 amount chargeable for such coverage before the ter-  
21 mination.

22 “(2) **INCREASES OF GENERAL APPLICABILITY**  
23 **NOT PRECLUDED.**—Paragraph (1) does not prevent  
24 an increase in premium to the extent of any general  
25 increase in the premiums charged by the carrier of  
26 the health care insurance for the same health insur-

1       ance coverage for persons similarly covered by such  
2       insurance during the period between the termination  
3       and the reinstatement.”.

4       (b) TECHNICAL AMENDMENT.—Subsection (b)(3) of  
5       such section is amended by striking “if the” and inserting  
6       “in a case in which the”.

7       **SEC. 3. PRESERVATION OF EMPLOYER-SPONSORED**  
8                               **HEALTH PLAN COVERAGE FOR CERTAIN RE-**  
9                               **SERVE-COMPONENT MEMBERS WHO AC-**  
10                              **QUIRE TRICARE ELIGIBILITY.**

11       (a) CONTINUATION OF COVERAGE.—Subsection  
12       (a)(1) of section 4317 of title 38, United States Code, is  
13       amended by inserting after “by reason of service in the  
14       uniformed services,” the following: “or such person be-  
15       comes eligible for medical and dental care under chapter  
16       55 of title 10 by reason of subsection (d) of section 1074  
17       of that title,”.

18       (b) REINSTATEMENT OF COVERAGE.—Subsection (b)  
19       of such section is amended—

20               (1) in paragraph (1)—

21                       (A) by inserting after “by reason of service  
22                       in the uniformed services,” the following: “or by  
23                       reason of the person’s having become eligible  
24                       for medical and dental care under chapter 55 of

1 title 10 by reason of subsection (d) of section  
2 1074 of that title,”; and

3 (B) by inserting “or eligibility” before the  
4 period at the end of the first sentence; and

5 (2) by adding at the end the following new  
6 paragraph:

7 “(3) In the case of a person whose coverage under  
8 a health plan is terminated by reason of the person having  
9 become eligible for medical and dental care under chapter  
10 55 of title 10 by reason of subsection (d) of section 1074  
11 of that title but who subsequently does not commence a  
12 period of active duty under the order to active duty that  
13 established such eligibility because the order is canceled  
14 before such active duty commences, the provisions of para-  
15 graph (1) relating to any exclusion or waiting period in  
16 connection with the reinstatement of coverage under a  
17 health plan shall apply to such person’s continued employ-  
18 ment, upon the termination of such eligibility for medical  
19 and dental care under chapter 55 of title 10 that is inci-  
20 dent to the cancellation of such order, in the same manner  
21 as if the person had become reemployed upon such termi-  
22 nation of eligibility.”.

1 **SEC. 4. TECHNICAL CORRECTIONS TO VETERANS BENEFITS**  
2 **IMPROVEMENT ACT OF 2004.**

3 (a) CORRECTIONS.—Section 2101 of title 38, United  
4 States Code, as amended by section 401 of the Veterans  
5 Benefits Improvement Act of 2004 (Public Law 108–454;  
6 118 Stat. 3614), is amended—

7 (1) by redesignating subsection (c) as sub-  
8 section (d);

9 (2) by inserting after subsection (b) a new sub-  
10 section (c) consisting of the text of subsection (c) of  
11 such section 2101 as in effect immediately before  
12 the enactment of such Act, modified—

13 (A) in paragraph (1)—

14 (i) in the first sentence, by striking  
15 “paragraph (1), (2), or (3)” and inserting  
16 “subparagraph (A), (B), (C), or (D) of  
17 paragraph (2)”; and

18 (ii) in the second sentence, by striking  
19 “the second sentence” and inserting “para-  
20 graph (3)”; and

21 (B) in paragraph (2)—

22 (i) in the first sentence, by striking  
23 “paragraph (1)” and inserting “paragraph  
24 (2)”; and

1 (ii) in the second sentence, by striking  
2 “paragraph (2)” and inserting “paragraph  
3 (3)”; and

4 (3) in subsection (a)(3), by striking “subsection  
5 (c)” in the matter preceding subparagraph (A) and  
6 inserting “subsection (d)”.

7 (b) EFFECTIVE DATE.—The amendments made by  
8 subsection (a) shall take effect as of December 10, 2004,  
9 as if enacted immediately after the enactment of the Vet-  
10 erans Benefits Improvement Act of 2004 on that date.

11 **SEC. 5. NOTIFICATION TO MEMBER’S SPOUSE OR NEXT OF**  
12 **KIN OF CERTAIN ELECTIONS UNDER**  
13 **SERVICEMEMBERS’ GROUP LIFE INSURANCE**  
14 **PROGRAM.**

15 (a) REPEAL.—Subsections (f) and (g) of section 1012  
16 of division A of the Emergency Supplemental Appropria-  
17 tions Act for Defense, the Global War on Terror, and Tsu-  
18 nami Relief Act, 2005 (Public Law 109–13), and the  
19 amendments made by those subsections, are repealed, and  
20 sections 1967 and 1970 of title 38, United States Code,  
21 shall be applied as if those subsections had not been en-  
22 acted.

23 (b) NOTIFICATION REQUIRED.—Section 1967 of title  
24 38, United States Code, is amended by adding at the end  
25 the following new subsection:

1       “(f)(1)(A) Whenever a member who is eligible for in-  
2 surance under this subchapter executes a life insurance  
3 option specified in subparagraph (B), the Secretary con-  
4 cerned shall notify the member’s spouse or, if the member  
5 is unmarried, the member’s next of kin, in writing, of the  
6 execution of that option.

7       “(B) A life insurance option referred to in subpara-  
8 graph (A) is any of the following:

9           “(i) An election under subsection (a)(2)(A) not  
10 to be insured under this subchapter.

11           “(ii) An election under subsection (a)(3)(B) for  
12 insurance of the member in an amount that is less  
13 than the maximum amount provided under sub-  
14 section (a)(3)(A)(i).

15           “(iii) An application under subsection (c) for in-  
16 surance coverage under this subchapter or for a  
17 change in the amount of such insurance coverage.

18           “(iv) In the case of a married member, a des-  
19 ignation under section 1970(a) of this title of any  
20 person other than the spouse or a child of the mem-  
21 ber as the beneficiary of the member for any amount  
22 of insurance under this subchapter.

23       “(2) Whenever an unmarried member who is eligible  
24 for insurance under this subchapter marries, the Secretary  
25 concerned shall notify the member’s spouse in writing as

1 to whether the member is insured under this subchapter.  
2 In the case of a member who is so insured, the Secretary  
3 shall include with such notification—

4           “(A) if the member has made an election de-  
5 scribed in paragraph (1)(B)(ii), notice that the  
6 amount of such insurance is less than the maximum  
7 amount provided under subsection (a)(3)(A)(i); and

8           “(B) if the member has designated a bene-  
9 ficiary other than the spouse or a child of the mem-  
10 ber for any amount of such insurance, notice that  
11 such a designation has been made.

12           “(3)(A) Notification of a spouse under paragraph (1)  
13 or (2), or of any other person under paragraph (1), for  
14 purposes of this subsection shall consist of a good faith  
15 effort to provide information to the spouse or other person  
16 at the last address of the spouse or other person known  
17 to the Secretary concerned.

18           “(B) Failure to provide such notification, or to pro-  
19 vide such notification in a timely manner, does not affect

1 the validity of any life insurance option referred to in  
2 paragraph (1)(B).”.

Passed the House of Representatives May 23, 2005.

Attest:

*Clerk.*