

**Union Calendar No. 45**109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION**H. R. 2046****[Report No. 109–88]**

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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**IN THE HOUSE OF REPRESENTATIVES**

MAY 3, 2005

Mr. BUYER (for himself, Mr. EVANS, Mr. BOOZMAN, and Ms. HERSETH) introduced the following bill; which was referred to the Committee on Veterans' Affairs

MAY 19, 2005

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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**A BILL**

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’ Health*  
3 *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 subsection:*

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

12               “(1) *PREMIUM PROTECTION.*—*The amount of the*  
13 *premium for health insurance coverage that was ter-*  
14 *minated by a servicemember and required to be rein-*  
15 *stated under subsection (a) may not be increased, for*  
16 *the balance of the period for which coverage would*  
17 *have been continued had the coverage not been termi-*  
18 *nated, to an amount greater than the amount charge-*  
19 *able for such coverage before the termination.*

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



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

3           (2) by adding at the end the following new para-  
4           graph:

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

21 **SEC. 4. TECHNICAL CORRECTIONS TO VETERANS BENEFITS**

22 **IMPROVEMENT ACT OF 2004.**

23           (a) CORRECTIONS.—Section 2101 of title 38, United  
24 States Code, as amended by section 401 of the Veterans Ben-

1 *efits Improvement Act of 2004 (Public Law 108–454; 118*  
2 *Stat. 3614), is amended—*

3 *(1) by redesignating subsection (c) as subsection*  
4 *(d);*

5 *(2) by inserting after subsection (b) a new sub-*  
6 *section (c) consisting of the text of subsection (c) of*  
7 *such section 2101 as in effect immediately before the*  
8 *enactment of such Act, modified—*

9 *(A) in paragraph (1)—*

10 *(i) in the first sentence, by striking*  
11 *“paragraph (1), (2), or (3)” and inserting*  
12 *“subparagraph (A), (B), (C), or (D) of*  
13 *paragraph (2)”;* and

14 *(ii) in the second sentence, by striking*  
15 *“the second sentence” and inserting “para-*  
16 *graph (3)”;* and

17 *(B) in paragraph (2)—*

18 *(i) in the first sentence, by striking*  
19 *“paragraph (1)” and inserting “paragraph*  
20 *(2)”;* and

21 *(ii) in the second sentence, by striking*  
22 *“paragraph (2)” and inserting “paragraph*  
23 *(3)”;* and

1           (3) *in subsection (a)(3), by striking “subsection*  
2           *(c)” in the matter preceding subparagraph (A) and*  
3           *inserting “subsection (d)”.*

4           (b) *EFFECTIVE DATE.—The amendments made by sub-*  
5           *section (a) shall take effect as of December 10, 2004, as if*  
6           *enacted immediately after the enactment of the Veterans*  
7           *Benefits Improvement Act of 2004 on that date.*

8           **SEC. 5. NOTIFICATION TO MEMBER’S SPOUSE OR NEXT OF**  
9                                   **KIN OF CERTAIN ELECTIONS UNDER**  
10                                   **SERVICEMEMBERS’ GROUP LIFE INSURANCE**  
11                                   **PROGRAM.**

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

19           (b) *NOTIFICATION REQUIRED.—Section 1967 of title*  
20           *38, United States Code, is amended by adding at the end*  
21           *the following new subsection:*

22                   “*(f)(1)(A) Whenever a member who is eligible for in-*  
23                   *surance under this subchapter executes a life insurance op-*  
24                   *tion specified in subparagraph (B), the Secretary concerned*  
25                   *shall notify the member’s spouse or, if the member is un-*

1 *married, the member's next of kin, in writing, of the execu-*  
2 *tion of that option.*

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

5               “(i) *An election under subsection (a)(2)(A) not*  
6 *to be insured under this subchapter.*

7               “(ii) *An election under subsection (a)(3)(B) for*  
8 *insurance of the member in an amount that is less*  
9 *than the maximum amount provided under subsection*  
10 *(a)(3)(A)(i).*

11               “(iii) *An application under subsection (c) for in-*  
12 *surance coverage under this subchapter or for a*  
13 *change in the amount of such insurance coverage.*

14               “(iv) *In the case of a married member, a des-*  
15 *ignation under section 1970(a) of this title of any*  
16 *person other than the spouse or a child of the member*  
17 *as the beneficiary of the member for any amount of*  
18 *insurance under this subchapter.*

19       “(2) *Whenever an unmarried member who is eligible*  
20 *for insurance under this subchapter marries, the Secretary*  
21 *concerned shall notify the member's spouse in writing as*  
22 *to whether the member is insured under this subchapter.*  
23 *In the case of a member who is so insured, the Secretary*  
24 *shall include with such notification—*

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

5           “(B) if the member has designated a beneficiary  
6           other than the spouse or a child of the member for  
7           any amount of such insurance, notice that such a des-  
8           ignation has been made.

9           “(3)(A) Notification of a spouse under paragraph (1)  
10          or (2), or of any other person under paragraph (1), for pur-  
11          poses of this subsection shall consist of a good faith effort  
12          to provide information to the spouse or other person at the  
13          last address of the spouse or other person known to the Sec-  
14          retary concerned.

15          “(B) Failure to provide such notification, or to provide  
16          such notification in a timely manner, does not affect the  
17          validity of any life insurance option referred to in para-  
18          graph (1)(B).”.



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