



# Department of Defense DIRECTIVE

NUMBER 1341.3

August 16, 1984

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Incorporating Through Change 2, November 29, 1991

*C, DoD*

SUBJECT: Servicemen's Group Life Insurance

- References:
- (a) Chapter 19 of title 38, United States Code
  - (b) Veterans Administration Handbook 29-75-1, Revised, "Servicemen's and Veterans' Group Life Insurance Handbook," June 1979
  - (c) DoD Directive 7040.6, "Internal Control Systems," March 24, 1982
  - (d) DoD Directive 7045.13, "DoD Credit Management and Debt Collection Program," August 22, 1983
  - (e) through (j), see enclosure 1

## 1. PURPOSE

Under references (a) and (b), this Directive establishes policy guidance for the administration and management of the Servicemen's Group Life Insurance (SGLI) program within the Department of Defense, assigns responsibilities, and prescribes procedures.

## 2. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense and the Military Departments (including their Reserve components). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

## 3. DEFINITIONS

The terms used in this Directive are defined in enclosure 2.

#### 4. POLICY

It is the policy of the Department of Defense to comply with SGLI statutes; ensure that members are informed adequately of their rights, obligations, and benefits under SGLI; cooperate with the Veterans Administration (VA); maintain current, accurate, and complete records identifying the insured, amount of insurance in force, and accrued premiums receivable; and collect and make timely payment of premiums due.

#### 5. RESPONSIBILITIES

5.1. The Comptroller of the Department of Defense shall exercise policy and oversight responsibility for the financial management of the SGLI program within the Department of Defense through coordination with the Administrator of the VA and by providing the Military Departments with instructions, requirements, reviews, and other guidance. *This authority may be redelegated.*

5.2. The Assistant Secretary of Defense (Force Management & Personnel) (ASD(FM&P)), in coordination with the Assistant Secretary of Defense (Reserve Affairs), shall establish policy and procedures regarding management and administration of the SGLI program within the Department of Defense through coordination with the Administrator of the VA and by providing the Military Departments with instructions, requirements, reviews, and other guidance.

5.3. The Secretaries of the Military Departments shall implement this Directive for their members and shall ensure that adequate management control under DoD Directives 7040.6 and 7045.13 (references (c) and (d)) is maintained.

#### 6. PROCEDURES

##### 6.1. Eligibility for SGLI Coverage

6.1.1. Active and Reserve members who perform full-time active duty or active duty for training under orders that do not specify periods of less than 31 days are eligible for full-time SGLI coverage.

6.1.2. Full-time coverage also is provided for members of the Ready Reserve assigned or attached to a unit or position that may require performance of active duty or active duty for training and that will be scheduled to perform at least 12 periods

annually of inactive duty training creditable for retirement purposes under 10 U.S.C. Chapter 67 (reference (e)). This includes, but is not limited to, Reserve training and pay categories A, B, C, D, F, H, L, P, Q, T, and U, as described in DoD Directive 1215.6 (reference (f)) and DoD Instruction 7730.54 (reference (g)).

6.1.3. Inactive Reserve members who do not qualify for full-time coverage are eligible for part-time SGLI coverage while performing active duty or active duty for training under orders specifying periods of less than 31 days.

6.1.4. Members assigned to or who upon application are eligible for assignment to the Retired Reserve by virtue of 20 years of completed service creditable for retirement purposes under 10 U.S.C. Chapter 67 (reference (e)), who have not received the first increment of military retired pay, and who have not reached 61 years of age may apply for retired coverage under SGLI. Personnel in this category who are on medical hold shall apply directly to the Office of SGLI.

6.1.5. Full-time or part-time coverage is not elective on the part of the member. The type of coverage is determined based on completion, or scheduling, of military duty.

## 6.2. Effective Date

6.2.1. Except for those members assigned to or eligible for assignment to the Retired Reserve, the effective date of insurance for all other eligible members is the first day of active duty, active duty for training, or the beginning of a period of inactive duty training on or after May 24, 1974. First-time enlistees in the Selected Reserve are eligible for SGLI coverage upon the date of enlistment when assigned to a Ready Reserve unit that meets the requirements of 38 U.S.C. 765(5)(B) (reference (a)). This applies to enlistees in a nonpay status who are not required to participate in periods of inactive duty training and have not yet been called to their initial active duty for training. Delayed entry active duty enlistees are not eligible for SGLI coverage until the day they report for active duty.

6.2.2. The effective date of insurance for members assigned to or eligible for assignment to the Retired Reserve is the date that the initial premium and an acceptable application, if required, are mailed to the Office of SGLI under guidance found in VA Handbook 29-75-1 (reference (b)). Management and administration of SGLI for members of the Retired Reserve are provided by the Office of SGLI, 213 Washington Street, Newark, New Jersey 07102.

## 6.3. Coverage

6.3.1. Full-time SGLI coverage for members satisfying the eligibility criteria found in subparagraphs 6.1.1. and 6.1.2., above, is automatic at \$50,000, effective January 1, 1986. The member may decline or elect coverage in any lesser amount evenly divisible by \$10,000 increments by signing VA Form 29-8286, Servicemen's Group Life Insurance Election, and submitting it to the Military Service concerned. The reduction or cancellation is effective at midnight of the last day of the month in which the VA Form 29-8286 is received by the Military Service concerned.

6.3.2. Part-time SGLI coverage for members satisfying the eligibility criteria under subparagraph 6.1.3., above, is automatic at \$50,000, effective January 1, 1986. The member may decline or elect coverage in any lesser amount evenly divisible by \$10,000 increments by signing VA Form 29-8286 or an equivalent waiver or reduction request and submitting it to the Military Service concerned. If the member is on active duty or active duty for training, the waiver or reduction of coverage is effective at the end of the last day of the duty period then being performed. If the member is in an inactive duty training status, the change in coverage is effective at the end of the period of inactive duty training then being performed. Under all other circumstances, the waiver or reduction of coverage is effective when received by the Military Service concerned.

6.3.3. A Reservist who is called to active duty upon mobilization shall receive automatically SGLI coverage at the maximum coverage amount effective on the date of mobilization. The Reservist may decline or elect coverage in any lesser amount evenly divisible by \$10,000 increments by signing VA Form 29-8286 or an equivalent waiver or reduction request and submitting it to the Military Service concerned. The reduction or cancellation is effective at midnight of the last day of the month in which the VA Form 29-8286 is received by the Military Service concerned.

6.3.4. For members insured in the amount of \$35,000, who died after December 11, 1985, and before January 1, 1986, the SGLI coverage is \$50,000.

6.4. Dual Insurance. A member eligible for both SGLI and Veterans' Group Life Insurance (VGLI) may participate in both insurance plans. However, the combined amount of insurance may not exceed \$50,000 at any time. A member with VGLI who regains SGLI coverage either must decline SGLI in the amount of VGLI coverage or, conversely, so that the cumulative insurance coverage for both VGLI and SGLI does not exceed \$50,000. Any member insured under VGLI who again becomes insured under SGLI may convert within 60 days any or all of the VGLI coverage to an individual policy of insurance.

## 6.5. Cost of Insurance

6.5.1. The VA Administrator establishes the table of SGLI premiums. The member shall pay the normal cost of insurance premiums. The Military Departments shall contribute such amounts as determined by the VA that are attributable to additional hazardous duty. The additional hazardous duty premium reflects the cost of death claims in excess of the level of death claims that would result from normal peacetime service.

6.5.2. The member's monthly cost for full-time coverage currently is 80 cents per \$10,000 coverage, with a maximum charge of \$4.00. An annual premium rate is determined for part-time coverage. The current rate is \$1.00 per \$10,000 coverage, with a maximum charge of \$5.00 a fiscal year.

6.5.3. SGLI coverage may be purchased only in increments of \$10,000.

6.5.4. The SGLI premium rates for the Retired Reserve are established separately and published in VA Handbook 29-75-1 (reference (b)).

## 6.6. Collection of SGLI Premiums

6.6.1. SGLI premiums for members in a pay status with full-time coverage shall be deducted from the member's pay during coverage periods. Past due premiums shall be collected using the methods authorized in DoD Directive 7045.13 (reference (d)).

6.6.2. The SGLI premium for part-time coverage shall be billed by the Military Service concerned and collected from the member in advance for the full annual premium before renewal of the insurance coverage. If a member with part-time coverage is in a pay status, the premiums may be deducted from the member's pay in the amount of the full annual premiums.

6.6.3. Members of the Retired Reserve shall remit their premiums directly to the Office of SGLI (see subparagraph 6.2.2., above).

6.6.4. If an insured member has no pay transaction for a period, the Military Service concerned shall obligate appropriated funds to satisfy the uncollected premium liability and shall pay the VA on a timely basis. The appropriated-fund account normally providing the member's pay shall be charged to satisfy the uncollected premium liability. Upon collection from the member, the appropriation account originally charged shall be reimbursed.

6.6.5. Premiums paid by a Military Service for the account of a now deceased member shall be recouped by deduction from that Military Service's next scheduled remittance to the VA. The Office of SGLI will make the necessary deduction from the deceased member's insurance proceeds when premiums otherwise have not been paid.

## 6.7. Termination

6.7.1. For members with full-time coverage, SGLI coverage shall terminate on:

6.7.1.1. The 120th day after separation or release from duty, unless the member is disabled totally on the date of separation or release, in which case coverage terminates at the end of the day on which the insured ceases to be disabled totally or at the end of the last day 1 year following separation or release, whichever is earlier.

6.7.1.2. The end of the 31st day of a continuous period of:

6.7.1.2.1. Absence without leave.

6.7.1.2.2. Confinement by military authorities under court-martial sentence involving total forfeiture of pay and allowances; or

6.7.1.2.3. Confinement by civilian authorities under sentence adjudicated by a civilian court.

6.7.1.3. The end of the last day of the month in which the member files with the Military Department concerned written notice that the member has elected not to be insured.

6.7.1.4. The day the member is assigned to or eligible for assignment to the Retired Reserve and has not received the first increment of retirement pay and has not reached the age of 61. Such members may continue their SGLI upon meeting the requirements in VA Handbook 29-75-1 (reference (b)).

6.7.2. Part-time coverage for members of the Ready Reserve terminates as follows:

6.7.2.1. Coverage is in effect only on the days of active duty or active duty for training, and the hours of inactive duty training, including periods of travel to and from such duty. A temporary termination of coverage occurs at the end of each duty period. Coverage resumes at the beginning of the next period of duty.

6.7.2.2. 120 days after the end of an active or inactive duty period in which the Reservist incurred or aggravated a disability and the disability renders the individual uninsurable at standard premium rates according to good health standards approved by the VA and as determined by the Office of SGLI.

6.7.2.3. At the end of the last day of the member's obligation to perform Reservist active or inactive duty, unless extended for 120 days or less because of disability.

6.7.2.4. When the member files a written notice that he or she elected not to be insured, coverage terminates on the last day of the period of active duty, active duty for training, or at the end of the period of inactive duty training. Travel time to and from the duty location is included. Coverage terminates on the date notice is received from the member, if notice is given during a period other than active duty, active duty for training, or inactive duty training.

## 6.8. Payments

6.8.1. SGLI premiums due shall be paid by the Military Service concerned in accordance with the procedures specified in the TFM (reference (h)). The monthly SGLI premium payment shall be received by the VA not later than 10-working days after the end-of-month payday for that month. Adjustments to the actual premium liability determined after close of the month shall be compensated in the next monthly payment.

6.8.2. Separate payments are due for the Active and Reserve components of each Military Service.

6.8.3. Former members receiving SGLI coverage after separation or release from duty may not be charged for or included in premium payment computations for the report in enclosure 3.

6.8.4. Military Department payments shall be sent to the Servicemen's Group Life Insurance Fund, Veterans Administration Agent Cashier, 810 Vermont Avenue, NW, Washington, DC 20420. The fund account symbol is 36X4009.

## 7. INFORMATION REQUIREMENTS

### 7.1. Records and Reports

7.1.1. Current, accurate, and complete records shall be maintained identifying:

7.1.1.1. Insured SGLI members by full-time and part-time coverage.

7.1.1.2. Those who decline or elect reduced coverage. Pertinent records shall be made available to the VA upon request.

7.1.1.3. All individual instructions, notifications, and other declarations or elections submitted by members in accordance with current record retention requirements.

7.1.1.4. Member premium collections and receivables.

7.1.1.5. Counseling furnished to members required by VA Handbook 29-75-1 (reference (b)).

7.1.2. Military Departments shall retain individual member coverage declarations, notifications, and other written instructions pertaining to SGLI.

7.1.3. The monthly report of SGLI shall be provided to the VA Insurance Center and the Office of the ASD(FM&P) not later than 10-working days after the end-of-month payday for that month. The report shall contain the information requirements stipulated in enclosure 3, Report of SGLI. Information reported shall be subject to management controls that were developed, applied consistently, and evaluated periodically in accordance with DoD Directive 7040.6 (reference (c)).

7.1.4. A separate report is due for the Active and the Reserve component of each Military Service.

7.1.5. Each Military Service shall designate in writing an official responsible for coordinating SGLI matters with the VA Insurance Center and shall inform the VA Insurance Center (see enclosure 3 for address) and the Office of the ASD(FM&P).

7.2. The reporting requirements of this Directive have been assigned Inter-agency Report Control Number (IRCN) 1216-VA-MO.

8. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward one copy each of the implementing documents to the *Comptroller of the Department of Defense* and to the Assistant Secretary of Defense (Force Management and Personnel) within 120 days.

A handwritten signature in black ink, appearing to read "William H. Taft, IV". The signature is fluid and cursive, with a long horizontal stroke at the end.

William H. Taft, IV  
Deputy Secretary of Defense

Enclosures - 3

- E1. References, continued
- E2. Definitions
- E3. Report of SGLI IRCN 1216-VA-MO

E1. ENCLOSURE 1

REFERENCES, continued

- (e) Chapter 67 of title 10, United States Code
- (f) [DoD Directive 1215.6](#), "Uniform Training/Pay Categories Within the Reserve Components," January 31, 1974
- (g) [DoD Instruction 7730.54](#), "Reserve Components Common Personnel Data System," October 26, 1981
- (h) Treasury Financial Manual (TFM) for Guidance of Departments and Agencies, Part 4, Disbursing, Volume 1
- (i) Section 261 of title 10, United States Code
- (j) Sections 672 and 673 of title 10, United States Code

## E2. ENCLOSURE 2

### DEFINITIONS

E2.1.1. ActiveDuty. Full-time duty with a Military Service other than active duty for training.

E2.1.2. Active Duty for Training. Full-time duty for training purposes with a Reserve component or the Reserve Officers' Training Corps (ROTC), as defined in DoD Directive 1215.6 (reference (f)).

E2.1.3. Inactive Duty Training. Other than full-time duty prescribed or authorized for members of the Reserve that is scheduled in advance by competent authority with a specific time and place designated. This does not include work or study performed in connection with correspondence courses or attendance at educational institutions in an inactive status.

E2.1.4. Member. A person on active duty, active duty for training, or inactive duty training with the Military Services in a commissioned, warrant, or enlisted rank or grade; a cadet or midshipman at a Military Service academy; or a participant in the ROTC.

E2.1.5. Ready Reserve. Units and individual Reservists liable for active duty under 10 U.S.C. 672 and 673 (reference (j)).

E2.1.6. Reserve Components. Components of the Armed Forces authorized under 10 U.S.C. 261 (reference (i)), which include the Army National Guard, the Air National Guard, the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air Force Reserve, and the Coast Guard Reserve.

E2.1.7. Selected Reserve. Part of the Ready Reserve of each Reserve component consisting of units and individuals who participate actively in paid training periods and serve on paid active duty for training each year.

E3. ENCLOSURE 3

REPORT OF SGLI (IRCN 1216-VA-MO)

FROM: \_\_\_\_\_ Military Finance Center

\_\_\_\_\_  
\_\_\_\_\_  
(Mailing address, including Department, Agency, location, and ZIP code)

TO: Director  
Veterans Administration  
Regional Office and Insurance Center  
P.O. Box 8079  
Philadelphia, PA 19101

SUBJECT: Report of SGLI

1. Report for (Active or Reserve) \_\_\_\_\_

2. Period of Report: \_\_\_\_\_  
(Month/Year)

3. Insurance Amount	Full-time		Part-time	
	Estimated Current Premiums	Period-Covered Adjustments	Estimated Current Premiums	Period-Covered Adjustments
\$40,000	\$ _____	\$ _____	\$ _____	\$ _____
\$50,000	\$ _____	\$ _____	\$ _____	\$ _____

4. Explanation of Adjustments:

5. Hazardous duty premium amount: \_\_\_\_\_

6. Total premiums paid: \$ \_\_\_\_\_

7. I certify that this report is correct and payment has been made in the specified amount to the Veterans Administration receipt account.

(Signature of Authorizing Official)

cc: Director of Compensation  
OASD(FM&P) (Military Personnel and Force Management)