



**DEPARTMENT OF VETERANS AFFAIRS**

**8320-01**

**38 CFR Part 9**

**RIN 2900-AQ98**

**Extension of Veterans' Group Life Insurance (VGLI) Application Periods in Response to the COVID-19 Public Health Emergency**

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Final rule.

**SUMMARY:** This document adopts without change a Department of Veterans Affairs (VA) interim final rule that extends by 90 days the deadlines for former members insured under Servicemembers' Group Life Insurance (SGLI) to apply for Veterans' Group Life Insurance (VGLI) coverage following separation from service in order to address the inability of former members directly or indirectly affected by the 2019 Novel Coronavirus (COVID-19) public health emergency to purchase VGLI. The final rule is in effect for one year from the date that the interim final rule was published in the *Federal Register*.

**DATES:** *Effective date:* [Insert date of publication of this final rule in the *FEDERAL REGISTER*.]

*Applicability date:* VA will apply the final rule to applications or initial premiums for VGLI coverage received on or after June 11, 2020, the effective date of the interim final rule, until June 11, 2021.

**FOR FURTHER INFORMATION CONTACT:** Paul Weaver, Department of Veterans Affairs Insurance Service (310/290B), 5000 Wissahickon Avenue, Philadelphia, PA 19144, (215) 842-2000, ext. 4263. (This is not a toll-free number.)

## **SUPPLEMENTARY INFORMATION:**

On June 11, 2020, VA published an interim final rule in the Federal Register (85 FR 35562) to extend by 90 days the time periods under 38 CFR 9.2(c) during which former members may apply for VGLI. The 90-day extensions for former members to apply for VGLI will be in effect from June 11, 2020, through June 11, 2021.

VA received one comment. The comment stated that extension of the deadlines to apply for VGLI should not sunset one year following publication of the interim final rule but should instead sunset one year after the termination of the public health emergency declared in response to the COVID–19 outbreak. See Proclamation 9994 of March 13, 2020, 85 FR 15337 (Mar. 18, 2020).

Section 9.2(f)(2) states that the 90-day extensions for former members to apply for VGLI “shall not apply to an application or initial premium received after June 11, 2021.” VA’s rationale for applying the rule for one year is that VA is obligated to manage VGLI according to sound and accepted actuarial principles. See 38 U.S.C. 1977(c), (f), (g). VA will utilize the one-year time period to gather and analyze data on VGLI claims experience to determine if it is actuarially sound to further extend the applicability date. VA therefore makes no change based on this comment.

For the reasons stated above and in the interim final rule notice, VA will adopt the interim final rule as final, without change.

### Administrative Procedure Act

In the June 11, 2020, *Federal Register* notice, VA determined that there was a basis under the Administrative Procedure Act for issuing the interim final rule with

immediate effect. We invited and received public comment on the interim final rule.

This document adopts the interim final rule as a final rule without change.

### Paperwork Reduction Act

This final rule contains no provisions constituting a collection of information under the Paperwork Reduction Act (44 U.S.C. 3501-3521).

### Executive Orders 12866, 13563, and 13771

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. The Office of Information and Regulatory Affairs has determined that this final rule is not a significant regulatory action under Executive Order 12866.

VA's impact analysis can be found as a supporting document at <http://www.regulations.gov>, usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA's website at <http://www.va.gov/orpm> by following the link for "VA Regulations Published From FY 2004 Through Fiscal Year to Date." This final rule is not an Executive Order 13771 regulatory action because this final rule is not significant under Executive Order 12866.

### Regulatory Flexibility Act

The Secretary hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. The provisions contained in this final rulemaking are applicable to individual Veterans, and applications for VGLI, as submitted by such individuals, are specifically managed and processed within VA and through Prudential Insurance Company of America, which is not considered to be a small entity. Therefore, pursuant to 5 U.S.C. 605(b), the initial and final regulatory flexibility analysis requirements of 5 U.S.C. 603 and 604 do not apply.

### Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. This final rule has no such effect on State, local, and tribal governments, or on the private sector.

### Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number and title for the program affected by this document is 64.103, Life Insurance for Veterans.

### Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 et seq.), the Office of Information and Regulatory Affairs designated this rule as not a major rule, as defined by 5 U.S.C. 804(2).

## List of Subjects in Part 9

Life insurance, Military personnel, Veterans.

## Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Brooks D. Tucker, Acting Chief of Staff, Department of Veterans Affairs, approved this document on September 1, 2020, for publication.

***Luvenia Potts,***  
Regulation Development Coordinator,  
Office of Regulation Policy & Management,  
Office of the Secretary,  
Department of Veterans Affairs.

PART 9—SERVICEMEMBERS' GROUP LIFE INSURANCE AND VETERANS' GROUP  
LIFE INSURANCE

Accordingly, the Department of Veterans Affairs is adopting the interim final rule amending 38 CFR part 9 that published at 85 FR 35562 on June 11, 2020, as a final rule without change.

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