

CHAPTER 3

PAYMENT OF INSURANCE PREMIUMS

SECTION A
CLASS IN ALLOTMENTS**40301. Purpose**

Class N allotments are authorized by all services to pay premiums on United States Government Life Insurance and/or National Service Life Insurance. The allotment cannot be used for the repayment of loans on United States Government Life Insurance.

40302. Eligible Allottee

The allottee for class N allotments is:

Department of Veterans Affairs
P.O. Box 8079
Philadelphia, PA 19101

40303. Number of Allotments Permitted

A member may have only one class N allotment. When the member has more than one policy in effect under one class of insurance, or a combination of United States Government and National Service Life Insurance, combine the premium payment into one allotment.

40304 Effective Dates for Starting Changing, and Stopping Allotments

Tables 4-3-1, 4-3-2, and 4-3-3 prescribe effective dates on which class N allotments are started, changed, or stopped.

40305. Cash Deposit for Insurance

If a retiree's retired pay account is in a non-pay status, that is, full waiver of pay, failure to report for periodic physical examination, 5 years on the Temporary Disability Retired List, etc., inform the member that he or she may request the Department of Veterans Affairs to pay insurance premiums by deduction from disability compensation benefits, or that the member must pay premiums by sending remittances directly to:

Department of Veterans Affairs
P.O. Box 7787
Philadelphia, PA 19101

SECTION B-CLASS I ALLOTMENTS
(COMMERCIAL LIFE INSURANCE)**40311. Purpose**

a. Allotments Authorized. Class I allotments are authorized to pay premiums on commercial life insurance on the life of the allotter, spouse and /or children.

b. Restrictions. Allotments are not permitted for health, accident, or hospitalization insurance, or other contracts or agreements, which as a secondary or incidental feature include insurance on the life of the allotter.

40312 Eligible Allottees

a. Commercial Life Insurers. Commercial life insurers are eligible allottees for class I allotments under this section. All payments to an insurer are made to the home office of the agency issuing the policy or to a branch office named by the home office of the agency.

b. The allottee for Veterans Group Life Insurance is:

OSGLI
213 Washington Street
Attn: VGLI Program
Newark, NJ 07102

40313. Number of Allotments Permitted

A member may have more than one class I allotment for commercial life insurance. However, if he or she has more than one life insurance policy with the same company, combine premium payments into one allotment to that company.

40314 Effective Dates for Starting Changing and Stopping Allotments

Tables 4-3-1, 4-3-2, and 4-3-3 prescribe effective dates on which class I allotments for commercial life insurance may be started, changed, or stopped.

SECTION C—CLASS M ALLOTMENTS
(NAVY AND MARINE CORPS ONLY)**40321. Purpose**

Class M allotments are authorized only for Navy and Marine Corps personnel to pay premiums

on Navy Mutual Aid Insurance. The restrictions in paragraph 40311 on commercial insurance allotments apply to class M allotments.

40322. Eligible Allottees

The allottee for class M allotments is:

Navy Mutual Aid Association
Navy Department
Washington, DC 20370

40323. Effective Dates for Starting Changing and Stopping Allotments

Tables 4-3-1, 4-3-2, and 4-3-3 prescribe effective dates on which class M allotments may be started, changed, or stopped.

**SECTION D
VETERANS GROUP LIFE INSURANCE
(VGLI) ALLOTMENTS**

40331. Purpose

VGLI allotments are authorized by all services to pay premiums on Veterans Group Life Insurance.

40332. Eligible Allottees

The allottee for VGLI allotments is:

OSGLI
213 Washington Street
Attn: VGLI Program
Newark, NJ 07102

40333. Number of Allotments Permitted

A member may have only one VGLI allotment.

40334. Effective Dates for Starting Changing and Stopping Allotments

Tables 4-3-1, 4-3-2, and 4-3-3 prescribe effective dates on which VGLI allotments are started, changed, or stopped.

| TABLE 4-3-1 | | | | |
|--------------------------------------------------------------------------|--------------------------|------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| EFFECTIVE DATES FOR STARTING INSURANCE ALLOTMENTS (I, M, V, OR N) | | | | |
| R U L E | A | B | C | D |
| | If a member of | is authorized a Class | and the | then start allotment effective the first day of the month |
| 1 | any Service | N allotment | | before the month in which insurance premium is due (note). |
| 2 | | | insurance policy is dated back to save age | in which application is made. Member must pay the reserve to cover previous months by direct payments to VA. |
| 3 | the Army or Air Force | I allotment | | specified by member, if authorization reaches the servicing finance center before the date specified in Service procedural regulations. |
| 4 | the Navy or Marine Corps | I or M allotment | | |
| 5 | any Service | I or V allotment | | |

NOTE:

A United States Government or National Service Life Insurance allotment deducted for 1 month pays the premium for the next month. For example, if premium for July is paid by allotment, allotment must be effective 1 June.

| TABLE 4-3-2 | | | | | |
|--------------------------------------------------------------------------|--------------------------|----------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| EFFECTIVE DATES FOR CHANGING INSURANCE ALLOTMENTS (I, M, V, OR N) | | | | | |
| R U L E | A | B | C | D | E |
| | If a member of | has a Class | and | then stop present allotment effective the last day of the month | then start new allotment effective the first day of the month |
| 1 | the Army or Air Force | I or N allotment | the member or fiduciary or guardian requests a change in allotment | specified in request if allotment change can be processed by the date specified in service procedural regulations | after the month old allotment is stopped. |
| 2 | the Navy or Marine Corps | I, M, or N Allotment | | | |
| 3 | any Service | N allotment | allotment was authorized in incorrect amount or effective date | before its effective date | specified in original request or authorization of the date requested by the VA. |
| 4 | | I or V allotment | the OSGLI automated data exchange provides a change in the allotment | as specified by the automated data exchange process | specified by the automated data exchange process. |

| TABLE 4-3-2 | | | | |
|--------------------------------------------------------------------------|--------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EFFECTIVE DATES FOR STOPPING INSURANCE ALLOTMENTS (I, M, V, OR N) | | | | |
| R U L E | A | B | C | D |
| | If a member of | has a Class | and | then stop allotment effective the last day of the |
| 1 | the Army or Air Force | I or N allotment | the member requests the allotment be stopped | month specified by the member, if authorization reaches the servicing DFAS Center before the date specified in service procedural regulations. |
| 2 | the Navy or Marine Corps | I, M, or N allotment | | |
| 3 | any Service | N allotment | th application for insurance is disapproved by the VA | month before the effective starting date of the allotment. |
| 4 | the Army or Air Force | I allotment | has sufficient "take-home" pay to satisfy IRS Notice of Levy for delinquent income tax determined by IRS to be a "problem case" | month before the month in which IRS levy is received (stop insurance allotments only if discontinuance of other voluntary allotments will not satisfy levy). |
| 5 | the Navy or Marine Corps | I or M allotment | | |
| 6 | the Army or Air Force | I or N allotment | has pay suspended (note 1) or insufficient pay | last month in which enough pay accrues to satisfy deduction. Avoid stopping allotment unnecessarily or earlier than required. |
| 7 | the Navy or Marine Corps | I, M, or N allotment | | |
| 8 | the Army or Air Force | I or N allotment | dies | (Note 1). |
| 9 | the Navy or Marine Corps | I, M, or N allotment | | |
| 10 | any Service | I or V allotment | the member or OSGLI requests the allotment | month specified by the member, if authorization reaches the servicing DFAS Center before the date specified in service procedural regulations; for OSGLI as specified by the automated data exchange process (note 2). |

NOTES:

1. See procedural regulations of Service concerned.
2. Advise OSGLI immediately of reason for

stoppage of allotment if it was discontinued by the automated data exchange process.

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