

February 22, 2000, or Rohr Service Bulletin CF6-80A3-NAC-A71-061, dated April 16, 1999; or

Previously Inspected

(2) Within 400 cycles-since-last-inspection (CSLI), if previously inspected using Rohr Service Bulletin CF6-80A3-NAC-A71-061, Revision 1, dated February 22, 2000, or Rohr Service Bulletin CF6-80A3-NAC-A71-061, dated April 16, 1999.

(3) Visually inspect for: separations, cracks, and spherical bearing race migration.

(4) Inspect in accordance with the Accomplishment Instructions of Rohr Service Bulletin CF6-80A3-NAC-A71-061, Revision 1, dated February 22, 2000.

Cracked or Separated Parts

(5) If a crack or separation is discovered, prior to further flight, remove the cracked or separated aft engine mount link assembly and the attaching hardware from service, and replace with serviceable parts.

Removal of Aft Engine Mount Link Assemblies With Spherical Bearing Race Migration

(6) If an aft engine mount link assembly is found with spherical bearing race migration, but no cracks or separations, prior to further flight, do either of the following:

Removal

(i) Remove the aft engine mount link assembly and the attaching hardware from service and replace with serviceable parts; or

Additional Borescope Inspection of Aft Engine Mount Link Assemblies With Spherical Bearing Race Migration

(ii) Perform an additional borescope inspection for cracks in accordance with paragraphs (2)(D)(5) and (2)(G)(5) of the Accomplishment Instructions of Rohr Service Bulletin CF6-80A3-NAC-A71-061, Revision 1, dated February 22, 2000, and perform the following:

After Additional Borescope Inspection, if Parts Are Cracked

(A) If a crack indication is discovered, prior to further flight, remove the cracked aft engine mount link assembly and the attaching hardware from service, and replace with serviceable parts.

After Additional Borescope Inspection, if Parts Are Not Cracked (Grace Period)

(B) If crack indications are not discovered, within 75 CIS after the inspection performed in accordance with paragraph (a)(6)(ii) of this AD, remove the aft engine mount link assembly from service, and replace with serviceable parts.

Attaching Hardware

(iii) Attaching hardware may be returned to service after inspection in accordance with paragraphs 2(D)(6)(a) or 2(G)(6)(a) of Rohr Service Bulletin CF6-80A3-NAC-A71-061, Revision 1, dated February 22, 2000, only if inspection of the removed link shows no cracks or separations.

Note 2: Link attaching hardware includes the nuts, bolts and washers that secure the link.

Repetitive Inspections

(b) Thereafter, perform the actions required by paragraph (a) and associated subparagraphs at intervals not to exceed 400 CSLI.

Replacement With Improved Link Assemblies

(c) Replace aft engine mount link assemblies with improved aft engine mount link assemblies at the next engine shop visit (ESV), or prior to accumulating 29,000 engine cycles since new (CSN), whichever occurs first.

(1) Replace in accordance with the Accomplishment Instructions of Rohr Service Bulletin CF6-80A3-NAC-A71-064, dated April 4, 2000.

Left Hand Aft Engine Mount Link Assemblies

(2) Replace left hand aft engine mount link assemblies, P/Ns 224-1608-501, 224-1608-503, or 224-1608-505, with improved left hand aft engine mount link assemblies, P/Ns 224-1608-507 or 224-1608-509.

Right Hand Aft Engine Mount Link Assemblies

(3) Replace right hand aft engine mount link assemblies, P/Ns 224-1609-503, 224-1609-505, or 224-1609-507, with improved right hand aft engine mount link assemblies, P/Ns 224-1609-509 or 224-1609-511.

Terminating Action

(4) Installation of improved aft engine mount link assemblies in accordance with paragraph (c) and its subparagraphs constitutes terminating action to the inspections required by paragraphs (a) and (b) of this AD.

Alternate Methods of Compliance

(d) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Engine Certification Office. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Engine Certification Office.

Note 3: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the Engine Certification Office.

Ferry Flights

(e) Special flight permits may be issued in accordance with §§ 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the inspection requirements of this AD can be accomplished.

Issued in Burlington, Massachusetts, on July 14, 2000.

David A. Downey,

Assistant Manager, Engine and Propeller Directorate, Aircraft Certification Service.

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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 9

RIN 2900-AJ80

Accelerated Benefits Option for Servicemembers' Group Life Insurance and Veterans' Group Life Insurance

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Veterans Programs Enhancement Act of 1998 authorizes the payment of accelerated benefits to terminally ill persons in the Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) programs. This document proposes to amend the Department of Veterans Affairs (VA) regulations to establish a mechanism for implementing these statutory provisions.

DATES: Comments must be received on or before September 18, 2000.

ADDRESSES: Mail or hand-deliver written comments to: Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Ave., NW., Room 1154, Washington, DC 20420; or fax comments to (202) 273-9289; or e-mail comments to "OGCRegulations@mail.va.gov". Comments should indicate that they are submitted in response to "RIN 2900-AJ80." All comments received will be available for public inspection in the Office of Regulations Management, Room 1158, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays).

FOR FURTHER INFORMATION CONTACT: Greg Hosmer, Senior Attorney/Insurance Specialist, Insurance Program Administration and Oversight, Department of Veterans Affairs Regional Office and Insurance Center, P.O. Box 8079, Philadelphia, Pennsylvania 19101, (215) 842-2000, ext. 4280 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: This document proposes to amend VA regulations for the Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) programs to add accelerated death benefit (Accelerated Benefit) provisions that permit terminally ill policyholders access to the death benefits of their policies before they die. Traditionally, an individual purchases life insurance in order to safeguard his or her dependents against major financial loss due to his or her death. Life insurance serves to replace the lost income of an insured and to provide for his or her

final expenses. In recent years, the insurance industry has recognized the financial needs of terminally ill policyholders and has begun offering policies with accelerated benefit provisions. A recent statutory amendment (section 302 of the Veterans Programs Enhancement Act of 1998, Pub. L. 105-368, 112 Stat. 3315, 3332-3333) added section 1980 to title 38, United States Code, which extends an accelerated benefit option to terminally ill persons insured in the SGLI and VGLI programs.

Proposed paragraph (a) is informative in that it explains that an Accelerated Benefit is a payment to the insured of a portion of a SGLI or VGLI insurance benefit before the insured dies.

Proposed paragraph (b), among other things, states that a person insured under SGLI or VGLI is eligible to receive an Accelerated Benefit if the person has a written medical prognosis from a physician of nine months or less to live. These provisions are proposed pursuant to 38 U.S.C. 1980(a) which states that a person is considered to be terminally ill and eligible for an Accelerated Benefit if, based on a medical prognosis, "the life expectancy of the person is less than a period prescribed by the Secretary * * * not [to] exceed 12 months." We believe that a written medical prognosis from a physician is consistent with the statutory intent. Further, we propose that the time period of life expectancy for allowing the payment of an Accelerated Benefit should be nine months or less. The nine-month maximum is the same period that is provided for civilian Federal employees who are insured by the Federal Employees Group Life Insurance (FEGLI) program, as authorized by the "FEGLI Living Benefits Act," Public Law 103-409. We believe that it is reasonable to have the same time period for individuals regardless of whether the program concerns military or civilian service.

Proposed paragraph (c) states that only the insured member can apply for an Accelerated Benefit. We believe this is necessary so that the insured is responsible for the determination to obtain an Accelerated Benefit.

Under the provisions of proposed paragraph (d) an insured may request as an Accelerated Benefit an amount up to a maximum of 50% of the face value of coverage and the request must be \$5,000 or a multiple of \$5,000. Under paragraph (e) the insured may receive such an amount requested, minus an interest reduction determined based on actuarial principles to be lost because of early payment. We believe this is the maximum amount that we can pay an

insured under our statutory authority in 38 U.S.C. 1980 in accordance with our mandate to prescribe a maximum amount that we find to be "administratively practicable and actuarially sound."

Proposed paragraph (f) provides that application for an Accelerated Benefit must be made on a form entitled "Claim for Accelerated Benefits," a form which must be completed by the terminally ill applicant, his or her physician, and, if on active duty, the personnel office of the servicemember's unit. This is necessary to ensure that sufficient information is submitted for determinations under this section.

Under proposed paragraph (g) and other provisions of this proposed rule, the Office of Servicemembers' Group Life Insurance (OSGLI) would administer the Accelerated Benefits program. This includes making the necessary determinations regarding the payment of Accelerated Benefits. This is authorized under 38 U.S.C. 1966 and 1980.

Proposed paragraph (h) states that an Accelerated Benefit will be paid in a lump sum. This reflects statutory provisions at 38 U.S.C. 1980(b) and (c).

According to 38 U.S.C. 1980(f)(1), an election to receive Accelerated Benefits is irrevocable. We proposed to define the term "election" for purposes of section 1980(f)(1) in paragraph (i) of the proposed rule as the time when an insured member cashes or deposits an accelerated benefit. After that election, the request for an accelerated benefit could not be cancelled. However, until that time, the insured member may cancel the request by informing OSGLI in writing and by returning the check if one was received. An insured member could later reapply by requesting the same or a different amount of benefits. Also, if an insured member died before cashing or depositing an accelerated benefit payment, the check must be returned to VA. These provisions are consistent with the provisions of 38 U.S.C. 1980.

Proposed paragraph (j) states that an insured member is not eligible for additional accelerated benefits once he or she cashes or deposits an accelerated benefit payment. This is mandated by the provisions of 38 U.S.C. 1980 which state that an individual may not make more than one election for accelerated benefits.

Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995, as amended (44 U.S.C. 3501-3520), this proposed rule includes information collection provisions in 38 CFR 9.14(e). In accordance with section

3507(d) of the Act and 5 CFR 1320.11, VA has submitted a copy of this rulemaking action to OMB for its review of the collections of information.

OMB assigns a control number for each collection of information it approves. VA may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Comments on the proposed collections of information should be submitted to the Office of Management and Budget, Attention: Desk Officer for the Department of Veterans Affairs, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies mailed or hand-delivered to: Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Ave., NW., Room 1154, Washington, DC 20420. Comments should indicate that they are submitted in response to "RIN 2900-AJ80."

Title: Application by Insured Terminally Ill Person for Accelerated Benefit.

Summary of collection of information: In proposed 38 CFR 9.14(e), VA would require that a terminally ill person insured under Servicemembers' Group Life Insurance (SGLI) or Veterans' Group Life Insurance (VGLI) who wants to receive a lump-sum payment to the insured prior to the insured's death of a portion of the insurance must submit to Prudential Life Insurance's Office of Servicemembers' Group Life Insurance a completed application for an Accelerated Benefit. The application must be on a form set forth in § 9.14(e) which includes a medical prognosis by a physician stating the life expectancy of the insured person and a statement by the insured of what portion of the insurance he or she requests.

Description of need for information and proposed use of information: The information is needed to comply with the statutory provisions permitting an insured person who is terminally ill to request payment of a portion of the face value of the insured person's SGLI or VGLI insurance as an Accelerated Benefit.

Description of likely respondents: Terminally ill persons insured under SGLI or VGLI and their physicians.

Estimated number of respondents: 200 annually.

Estimated frequency of responses: Once.

Estimated total annual reporting and recordkeeping burden: 2,400 minutes.

Estimated average burden per collection: 12 minutes.

The Department considers comments by the public on proposed collections of information in—

- Evaluating whether the proposed collections of information are necessary for the proper performance of the functions of the Department, including whether the information will have practical utility;

- Evaluating the accuracy of the Department's estimate of the burden of the proposed collections of information, including the validity of the methodology and assumptions used;

- Enhancing the quality, usefulness, and clarity of the information to be collected; and

- Minimizing the burden of the collections of information on those who are to respond, including responses through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

OMB is required to make a decision concerning the collections of information contained in this proposed rule between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment on the proposed rule.

Executive Order 12866

The Office of Management and Budget has reviewed this proposed rule under Executive Order 12866.

Regulatory Flexibility Act

The Secretary hereby certifies that this proposed 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. This proposed rule would affect only individuals. Accordingly, pursuant to 5 U.S.C. 605(b), this proposed rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Unfunded Mandates

The Unfunded Mandates Reform Act requires (in section 202) that agencies prepare an assessment of anticipated costs and benefits before developing any rule that may result in an expenditure by State, local, or tribal governments, in the aggregate, or by the private sector of \$100 million or more in any given year. This rule would have no consequential effect on State, local, or tribal governments.

Catalog of Federal Domestic Assistance Program Numbers

The Catalog of Federal Domestic Assistance program number for this rule is 64.103.

List of Subjects in 38 CFR Part 9

Life insurance, Military personnel, Veterans.

Approved: February 22, 2000.

Togo D. West, Jr.,

Secretary of Veterans Affairs.

For the reasons set out in the preamble, 38 CFR part 9 is proposed to be amended as set forth below:

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

1. The authority citation for part 9 is revised to read as follows:

Authority: 38 U.S.C. 501, 1965–1980, unless otherwise noted.

2. Section 9.14 is added to read as follows:

§ 9.14 Accelerated Benefits.

(a) *What is an Accelerated Benefit?*

An Accelerated Benefit is a payment of a portion of your Servicemembers' Group Life Insurance or Veterans' Group Life Insurance to you before you die.

(b) *Who is eligible to receive an Accelerated Benefit?* You are eligible to receive an Accelerated Benefit if you have a valid written medical prognosis from a physician of 9 months or less to live, and otherwise comply with the provisions of this section.

(c) *Who can apply for an Accelerated Benefit?* Only you, the insured member, can apply for an Accelerated Benefit. No one can apply on your behalf.

(d) *How much can you request as an Accelerated Benefit?*

(1) You can request as an Accelerated Benefit an amount up to a maximum of 50% of the face value of your insurance coverage.

(2) Your request for an Accelerated Benefit must be \$5,000 or a multiple of \$5,000 (for example, \$10,000, \$15,000).

(e) *How much can you receive as an Accelerated Benefit?* You can receive as an Accelerated Benefit the amount you request up to a maximum of 50% of the face value of your insurance coverage, minus the interest reduction. The interest reduction is the amount the Office of Servicemembers' Group Life Insurance actuarially determines to be the amount of interest that would be lost because of the early payment of part of your insurance coverage. This means that if you have \$100,000 in coverage and you request the maximum amount that you are eligible to request as an

Accelerated Benefit, you will be paid \$50,000 minus the interest reduction.

(f) *How do you apply for an*

Accelerated Benefit? (1) You can obtain an application form entitled "Claim for Accelerated Benefits" by writing the Office of Servicemembers' Group Life Insurance, 213 Washington Street, Newark, New Jersey 07102–2999; calling the Office of Servicemembers' Group Life Insurance toll-free at 1–800–219–1473; or downloading the form from the internet at www.va.insurance.gov. You must submit the completed application form to the Office of Servicemembers' Group Life Insurance, 213 Washington Street, Newark, New Jersey 07102–2999.

(2) As stated on the application form, you will be required to complete part of the application form and your physician will be required to complete part of the application form. If you are an active duty servicemember, your branch of service will also be required to complete part of the form.

To Be Completed by Insured

Claim for Accelerated Benefits

Your name:
Social Security Number:
Your home address:
Date of birth:
Branch of Service (if covered under SGLI):
Your mailing address (if different from above):
Amount of SGLI coverage: \$
Amount of claim (can be no more than one-half of coverage in increments of \$5,000):
Type of coverage (check one):

☐ SGLI (circle one of the following):
Active Duty Ready Reserve Army or
Air National Guard Separated or
Discharged
☐ VGLI

Note: If you checked SGLI, you must also have your military unit complete the attached form.

I acknowledge that I have read all of the attached information about the accelerated benefit. I understand that I can get this benefit only once during my lifetime and that I can use it for any purpose I choose. I further understand that the face amount of my coverage will reduce by the amount of accelerated benefit I choose to receive now.

Your signature:
Date:

Authorization To Release Medical Records

To all physicians, hospitals, medical service providers, pharmacists, employers, other insurance companies, and all other agencies and organizations:

You are authorized to release a copy of all my medical records, including examinations, treatments, history, and prescriptions, to the Office of Servicemembers' Group Life Insurance (OSGLI) or its representatives.

Printed name:
Signature:
Date:

