



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 28, 2010

### **H.R. 5993**

#### **Securing America's Veterans Insurance Needs and Goals Act of 2010**

*As ordered reported by the House Committee on Veterans' Affairs on September 15, 2010*

H.R. 5993 would expand the obligations of insurance companies that provide group life insurance to members of the uniformed services through the Servicemembers Group Life Insurance (SGLI) program administered by the Department of Veterans Affairs (VA). The bill would require participating companies to provide financial counselling to any beneficiary entitled to payment of a claim. Such counselling would have to include information regarding the advantages and disadvantages of depositing the payment in an account with the life insurance company versus an account at a financial institution. The information provided to the beneficiary also would have to specifically include a discussion of the conditions under which deposits would be insured by the Federal Deposit Insurance Corporation.

H.R. 5993 would prohibit the life insurance company from charging fees if a beneficiary chose to deposit a payment in an account with the company. In addition, the bill would require VA to maintain sufficient personnel to provide survivors with information on how to obtain SGLI financial counselling. Because VA currently provides financial counselling to beneficiaries receiving life insurance payments, including descriptions of payment options and full disclosure of the terms of any payment, CBO does not expect additional personnel would be required to implement the provisions of this bill. Furthermore, any additional costs would be offset by an increase in premiums to the SGLI program, if necessary; therefore, CBO estimates that implementing the bill would have no net budgetary impact.

Enacting H.R. 5993 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 5993 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandate Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Dwayne M. Wright. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.