

1.

File

ANNOUNCER: At this time, WLOL presents Mayor Hubert H. Humphrey. Mayor Humphrey's special guest for today is Mr. Lowell Krebs, regional insurance officer of the Veterans Administration, who will tell us how Congress recently amended the National Service Insurance Act to provide a better insurance deal for veterans. But here is Mayor Humphrey...

HUMPHREY: Good afternoon. Before we get into the subject, Mr. Krebs, let me tell our listeners that the Mayor's office is cooperating with the Veterans Administration one hundred per cent in the campaign which is getting under way this week to encourage veterans to reinstate their National Service Life Insurance, or G.I. Insurance, as it is generally called. We feel that this insurance is not only an important benefit for the veteran himself, and a possession which he ought to prize very highly, but that it represents a very substantial future income for the prosperity of the citizens of Minneapolis.

KREBS: You are certainly right about that, Mayor Humphrey. Selective Service tells us that the total number of World War II veterans living in Minneapolis is now approaching fifty thousand. And each of these veterans is eligible for a maximum of ten thousand dollars worth of G.I. Insurance. That makes a potential total of a five hundred million dollar income to their beneficiaries...

HUMPHREY: But the dark side of the picture is that many veterans have failed to realize the value of this protection and have allowed their G.I. Insurance to lapse. Just what percentage of G.I. Insurance would you say has been allowed to lapse by Minneapolis veterans, Mr. Krebs.

KREBS: It's impossible to give an exact answer to that question, Mayor Humphrey. But we estimate that more than half of the National Service Insurance once in force has lapsed.

HUMPHREY: That means, then, that our G.I. Insurance reinstatement booths in the Minneapolis downtown banks ought to do a big business all next week.

KREBS: It certainly does. But we expect to be able to give service to all veterans wishing to reinstate their G.I. Insurance. More than a hundred trained insurance men, members of the Life Underwriters Association of Minneapolis, have volunteered to take turns in our bank booths, assisting veterans with the reinstatement procedure.

HUMPHREY: Good. And let's list the banks where these reinstatement booths will be located. They are: Farmers and Mechanics, First National, Marquette National, Midland National and Northwestern National.... Now, about the recent changes in the National Service Insurance Act.. Which of these changes do you, as insurance officer of the Veterans Administration, consider the most important, Mr. Krebs?

KREBS: Well, that depends on each individual case. For one veteran, the right to apply for new insurance may be the most important of the new provisions. For another, it may be the lump-sum payment of his insurance to his beneficiary, and so on...

HUMPHREY: That last thing you mentioned is one I have heard a lot of complaints about. Many veterans didn't like the idea of monthly payments to their beneficiaries...

KREBS: Well, for those who objected to that feature of G.I. Insurance, the new law has plenty of answers. Now, a veteran may choose to have his insurance benefits paid to his beneficiary in a lump sum or in equal monthly payments ranging from thirty six to two hundred and forty payments.

HUMPHREY: Tell me, Mr. Krebs---Do you personally think that the lump-sum payment is always the best method for the good of the beneficiary?

KREBS: No, I do not. In very many cases it might be a sounder plan for the insured veteran to provide that part of his insurance would pay off in a lump sum and part of it in monthly payments---thus guaranteeing a continuing income to his beneficiaries. For advice on the circumstances of his individual needs, it would be wise for the veteran to discuss his problem with a contact representative of the Veterans Administration or with his insurance agent.

HUMPHREY: But at any rate, it appears that G.I. Insurance now gives just as wide a choice in the matter of payments

HUMPHREY: to the beneficiary as does any other insurance. Well...here's another complaint that I've heard veterans make about the original G.I. Insurance. It's the limitation on persons who can be named as beneficiaries by a veteran.

KREBS: This complaint also is taken care of in the new law, Mayor Humphrey. From now on, there are no restrictions on the choice of beneficiary. The insured veteran can name any person, firm, or corporation, or even his own estate. As a matter of fact, a veteran can be his own "beneficiary" under the new law.

HUMPHREY: That sounds like a contradiction, doesn't it? What do you mean by that, Mr. Krebs?

KREBS: I mean that under the present law G.I. term insurance--- which is the kind of insurance that servicemen got when they entered the service---can be converted into endowment policies. If that is done, the veteran himself would receive the total amount of his insurance at the end of--say, twenty years--or upon reaching the age of sixty or sixty five. You can see that this would fit in nicely with a veteran's retirement plan.

HUMPHREY: It sounds mighty good to me, Mr. Krebs. But at the beginning of our talk, you mentioned that veterans have the right to apply for new insurance under the present law. How does that differ from the old set-up?

KREBS: Well, under the original law, if a serviceman took out only five thousand dollars worth of insurance while he was in the service, he couldn't get any more than that after discharge or separation. But now, a veteran can apply to increase his G.I. Insurance up to the ten thousand dollar maximum. This is very important because it gives every veteran the opportunity to take the fullest advantage of G.I. Insurance and all the new features that are provided.

HUMPHREY: Yes, I believe a lot of veterans would like to increase the amount of G.I. Insurance they are carrying because of the better deal the new law gives them.....Now, Mr. Krebs, are there any more important changes in the insurance picture for veterans?

KREBS: Plenty, Mayor Humphrey. For instance, the veteran can provide himself a monthly income in case of total disability. There is a low extra premium charged for this added protection.

HUMPHREY: Well, now, you are in constant touch at the Veterans Administration with veterans and their families. You could probably tell us from first-hand knowledge what happens when a veteran dies and his G.I. Insurance has lapsed.

KREBS: As a matter of fact, we do have the families come to us in these cases, and many cases are heartbreaking. Yet there is nothing the Veterans Administration can do if the policy has lapsed.

HUMPHREY: Have there been many such cases?

KREBS: Yes, there have been. And in addition, we've had a number of cases--some involving auto accidents--where the insured veteran lived but wasn't able to reinstate his G.I. Insurance because his health wasn't as good as it was at the time his insurance lapsed.

HUMPHREY: In short, then, it's dangerous to go unprotected even for a short while....

KREBS: It is, indeed. And not at all necessary when it's so easy to reinstate a lapsed term policy. All that's necessary is to pay two monthly premiums and certify that you are in as good health as at the time the G. I. Insurance lapsed.

HUMPHREY: Another thing I know has bothered some veterans, Mr. Krebs, is the fact that they feel sort of out of touch with their G. I. Insurance headquarters. They mail the monthly payments to the Veterans Administration in New York, and sometimes they don't get any acknowledgement or any other indication that their policies are actually in effect.

KREBS: We in the Veterans Administration realize that this is a fact, Mayor Humphrey, and for the present we can only tell the veteran to be patient, keep sending in his premium and be assured that his insurance is in effect. You see, even with the high lapse rate, the government still has as much life insurance in force as all the commercial companies combined.

millions of veterans

HUMPHREY: This must mean a tremendous work load for the insurance staff of the Veterans Administration....

KREBS: Yes, it does....especially since many veterans do not furnish full information, such as their policy numbers and their service serial numbers, when they write us. But there is a development in the offing which will eventually mean a great improvement in service of all kinds on G. I. policies.

HUMPHREY: What is this development you speak of, Mr. Krebs?

KREBS: We call it the decentralization of the insurance department. What it amounts to is that insurance records of veterans living in this area will be kept in the VA's branch office at Fort Snelling, and all types of service on policies will be much easier to obtain.

HUMPHREY: That's very interesting. And when is this move of the insurance records to take place?

KREBS: We hope that the transfer of records and personnel to the branch office will be completed by the end of this year.

HUMPHREY: That's all the more reason why veterans should reinstate their lapsed policies now---so as to be in a position to take advantage of this improved service when it comes along.

KREBS: And while we're talking about insurance service to the veteran, Mayor Humphrey, I'd like to make a point about the way G. I. Insurance is set up....

HUMPHREY: Go right ahead.....

KREBS: All right. G. I. Insurance has been provided for the veteran by Congress as one of the benefits of G. I. legislation. By his military service between October eighth, nineteen forty, and September second, nineteen forty five, the veteran earned the right to carry this low-cost protection. But it's not a case of the government's owning this insurance business. G. I. insurance is mutual insurance.....Every veteran who holds a G. I. policy actually owns a share in the world's largest insurance business.

HUMPHREY: I'm glad you mentioned that. Many people may be under the impression that the government is the insurance company.

KREBS: No. The government just manages the insurance fund created by the payment of premiums. And it pledges the credit of the United States to back that fund.

HUMPHREY: You couldn't get any better backing than that.

KREBS: Exactly. But the government does something else. It provides the offices, equipment,^{and}/personnel to operate this insurance business. In other words, it pays the cost of administration.

HUMPHREY: Well, that in itself would seem to explain why G. I. Insurance is the most economical protection available to veterans.

KREBS: Yes, plus the fact that the government doesn't make any profit on it.

HUMPHREY: Now, to return to the subject of the current campaign in Minneapolis for reinstatement of G. I. Insurance. The commercial life insurance men of this city are cooperating enthusiastically in the campaign, even though G. I. Insurance is entirely between the veteran and the government, and there is no profit to any commercial insurance company. I feel that the participation in this drive of men who know insurance and who have nothing to gain personally is one of the best arguments to show that G. I. Insurance is the veterans' best buy in life insurance protection.

KREBS: Just to bear out what you say....let me read some excerpts from a letter I received from Mr. Arthur W. McMillan, president of the Minneapolis Association of Life Underwriters. This is what he had to say:

"The Minneapolis Underwriter's Association endorses National Service Life Insurance and urges veterans to retain and eventually to convert their policies to permanent insurance. We do this because we in the insurance business realize the importance of life insurance in the future program of these men and women, and the value of this insurance in that program. Failure to retain the insurance will be a source of regret as well as loss later on, both to the veterans who live and continue to build up an insurance program and to the beneficiaries of those who do not live."

- KREBS: Now, that's a direct quotation from the president of the Minneapolis Life Underwriter's Association.
- HUMPHREY: That's a very convincing endorsement, and I imagine you have received others.
- KREBS: Yes, we have letters of endorsement from the top insurance and bank executives in the city. They all emphasize the same general idea: G. I. Insurance offers so much protection at so little cost that every veteran should take care to guard this fine possession.
- HUMPHREY: That sounds as if our Minneapolis campaign is off to a good start. By the way, Mr. Krebs, are any other cities in this state or region putting on similar drives at the present time?
- KREBS: Well, as a matter of fact, we in the Veterans Administration consider the G. I. Insurance campaign in Minneapolis as a kind of pilot campaign. Everything possible is being done in this community drive to make it convenient for the veteran to reinstate his lapsed insurance. If results show that this service brings results, it is expected that the Minneapolis campaign will become a pattern for similar campaigns throughout the state and the nation.

HUMPHREY: Thank you very much, Mr. Krebs, for the information you have given us today on this important subject. And let me repeat that veterans may reinstate their G. I. Insurance all this coming week at booths in the following Minneapolis banks: Farmers and Mechanics, First National, Marquette National, Midland National and Northwestern National. And reinstatement service will continue to be provided at the Veterans Administration contact office, Lake and Colfax, and in other cities at VA contact offices.



Minnesota Historical Society

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org