



DEFENSE FINANCE AND ACCOUNTING SERVICE  
ARLINGTON  
1851 SOUTH BELL STREET  
ARLINGTON, VA 22240-5291

DFAS-NPF

Jul 18, 2006

MEMORANDUM FOR DIRECTOR, MILITARY COMPENSATION, OFFICE OF THE  
UNDER SECRETARY OF DEFENSE (PERSONNEL AND  
READINESS)  
DIRECTOR, FINANCE, DEFENSE FINANCE AND  
ACCOUNTING SERVICE

SUBJECT: Interim Change to the Department of Defense Financial Management Regulation,  
("DODFMR"), Volume 7A, Regarding Servicemembers' Group Life Insurance  
(SGLI) Premium Rate (DFAS Item #P-86)

Attached is Interim Change **32-06** to the "DODFMR," Volume 7A, Chapter 47 and 58.  
This change incorporates the increase of the SGLI premium to 7¢ per \$1,000.00 or \$3.50 per  
\$50,000 of coverage. It also reduces Family SGLI premium rates as reflected in the attachment.  
This change is effective July 1, 2006.

Assignment of the interim change number is authority for the Director of Finance to  
initiate a procedural modification to implement this change. This office requests that the  
Director for Accounting and Finance Policy and Analysis post a copy of this interim change to  
the "DoDFMR" web site.

Handwritten signature of Thomas Waddell in cursive.

Thomas Waddell  
Acting Director, Policy and Performance  
Management

Attachment:  
As stated

cc:  
DFAS-AMO (Pat McGriff)  
DFAS-PM/IN (Cindy Garcia)  
DFAS-PMA/CL  
DoD-DHRA/OGC  
OUSD(C)(ODCFO)(A&FP&A)  
Service Liaisons  
USCG/NOAA/PHS Liaison

**SERVICEMEMBERS' GROUP LIFE INSURANCE PREMIUM RATE INCREASE**

1. **Revise section 4708 (as added by Interim Change 19-06) to read:**

4708 DEDUCTIONS (SGLI PREMIUMS)

When a member is in a status referred to in section 4703, above (i.e., eligible for full time coverage), the monthly deduction is \$.07 per \$1,000, \$3.50 for each \$50,000, or \$28.00 for \$400,000 of coverage effective July 1, 2006. For rules concerning starting and stopping deductions, see Table 47-1. Monthly deductions are not prorated for partial months of service. Deduct the full monthly premium for any month in which a member is covered for at least one day. During months in which coverage amounts change, deduct the full month's premium for the higher coverage rate.

2. **Revise paragraph 471203 (as added by Interim Change 19-06) to read:**

471203. Cost. The premiums are based on the age and the amount of coverage of the spouse. The premium rates for the spouse are as follows:

**Effective July 1, 2006**

<u>Age</u>	<u>Monthly Rate (Per \$1,000)</u>	<u>Monthly Rate (Per \$100,000)</u>
Under 35	\$0.055	\$5.50
35 – 39	\$0.07	\$7.00
40 – 44	\$0.09	\$ 9.00
45 – 49	\$0.14	\$14.00
50 – 54	\$0.27	\$27.00
55 – 59	\$0.40	\$40.00
60 – Over	\$0.52	\$52.00

3. **Revise subparagraph 580706.A, first sentence to read:**

The premium is \$3.50 for \$50,000 or \$28.00 for \$400,000.

4. **Add to the Bibliography:**

**Paragraph**

**Reference**

4708

VA memorandum of March 27, 2006

471203

VA memorandum of April 21, 2006



DEPARTMENT OF VETERANS AFFAIRS  
 Veterans Benefits Administration  
 Washington DC 20420

APR 21 2006

Mr. William J. Carr  
 Acting Deputy Under Secretary  
 Military Personnel Policy  
 DUSD (P&R) (MPP)  
 4000 Defense Pentagon, Room 5A678  
 Washington, DC 20301-4000

Dear Mr. Carr:

I am writing to provide you with official notification of a decrease in the premium rates charged for spousal coverage under the Servicemembers' Group Life Insurance (SGLI) program. This premium reduction will be effective July 1, 2006, and is the result of favorable claims experience.

Spousal premiums vary by age group. Premium rates for all age groups are being reduced. The revised rates will more accurately reflect the claims experience for each age group. Both the current and revised premium rates per month per \$1,000 of coverage are shown in the table below. In the last column, the monthly premium rates for the maximum \$100,000 coverage are provided.

AGE GROUP	CURRENT RATES	REVISED RATES	REVISED RATES FOR \$100,000 COVERAGE
Under 35	.06	.055	\$5.50
35-39	.075	.07	\$7.00
40-44	.10	.09	\$9.00
45-49	.19	.14	\$14.00
50-54	.28	.27	\$27.00
55-59	.42	.40	\$40.00
60 & Up	.54	.52	\$52.00

Please take the necessary steps with your finance centers to adjust all premium deductions and to notify personnel about the decrease.

Please refer questions to Mr. Stephen Wurtz, Insurance Service, at (215) 381-3029.

Sincerely yours,

**FILE COPY**

Daniel L. Cooper  
 Acting Under Secretary for Benefits



THE UNDER SECRETARY OF VETERANS AFFAIRS FOR BENEFITS  
WASHINGTON, D.C. 20420

MAR 27 2006

Mr. William J. Carr *Gene*  
Acting Deputy Under Secretary  
Military Personnel Policy  
DUSD (P&R) (MPP)  
4000 Defense Pentagon, Room 5A678  
Washington, DC 20301-4000

Dear Mr. Carr:

I am writing to provide you with official notification of an increase in the Servicemembers' Group Life Insurance (SGLI) premium rate. Effective July 1, 2006, the SGLI premium rate will be increased from the current level of 6.5 cents per month per \$1,000 of coverage to 7 cents per month per \$1,000 of coverage. This will increase the premium rate for a service member with the maximum coverage of \$400,000 from \$26 to \$28 a month. (An additional \$1 is charged each month for traumatic injury protection.)

The SGLI premium rate was reduced in 2003 in order to bring the SGLI contingency reserve (the program's net financial position) down to its target level. The recent increase in the maximum amount of SGLI coverage from \$250,000 to \$400,000, coupled with the current premium rate, is causing the contingency reserve to decline at a faster rate than originally planned. In addition, the target level for the contingency reserve has now been increased to account for the higher level of insurance risk. As a result, this premium increase to 7 cents per month per \$1,000 is necessary to slow the rate of decline in the contingency reserve and gradually bring it into line with its target level.

Please take the necessary steps with your finance centers to adjust all premium deductions and to notify personnel about the increase.

Please refer questions to Mr. Stephen Wurtz, Insurance Service, at (215) 381-3029.

Sincerely yours,

*Daniel L. Cooper*  
Daniel L. Cooper