

Lynch v. United States, 292 U.S. 571 (1934)

One year after HJR 192 (1933); One year before Social Security (1935)

First. **War Risk Insurance policies are contracts of the United States.** As consideration for the government's obligation, the insured paid prescribed monthly premiums. *White v. United States*, 270 U.S. 175, 180. True, these contracts, unlike others, were not entered into by the United States for a business purpose. The policies granted insurance against death or total disability without medical examination at net premium rates based on the American Experience Table of Mortality and 3 1/2 percent interest; the United States bearing both the whole expense of administration and the excess mortality and disability cost resulting from the hazards of war. In order to effect a benevolent purpose, heavy burdens were assumed by the Government.^{2} But the policies, although not entered into for gain, are legal obligations of the same dignity as other contracts of the United States and possess the same legal incidents.

War Risk Insurance, while resembling in benevolent purpose pensions, compensation allowances, hospital and other privileges accorded to former members of the Army and Navy or their dependents, differs from them fundamentally [292 U.S. 577] in legal incidents.

Pensions, compensation allowances, and privileges are gratuities. They involve no agreement of parties, and the grant of them creates no vested right. The benefits conferred by gratuities may be redistributed or withdrawn at any time in the discretion of Congress. *United States v. Teller*, 107 U.S. 64, 68; *Frisbie v. United States*, 157 U.S. 160, 166; *United States v. Cook*, 257 U.S. 523, 527. On the other hand, **war risk policies, being contracts, are property, and create vested rights.** The terms of these contracts are to be found in part in the policy, in part in the statutes under which they are issued and the regulations promulgated there under.

War risk insurance is Social Security that is a result of the War on Drugs, the War on Poverty, the war between the common law and the civil law.

Social security benefits are not contractual and may be altered or even eliminated at any time. *Brown v Apfel*, 192 F.3d 492, 64 Soc. Sec. Rep. Serv. 128 (5th Cir. 1999).