

VIRGINIA ACTS OF ASSEMBLY -- 2005 SESSION

CHAPTER 57

An Act to amend and reenact § 51.1-512 of the Code of Virginia, relating to optional life, accidental death, and dismemberment insurance available to employees.

[H 1651]

Approved March 20, 2005

Be it enacted by the General Assembly of Virginia:

1. That § 51.1-512 of the Code of Virginia is amended and reenacted as follows:

§ 51.1-512. Optional life insurance.

A. The Board shall, under the terms and conditions specified by the Board, make available to each active insured employee optional life, accidental death, and dismemberment insurance in incremental amounts not to exceed a total of ~~\$500,000~~ \$600,000 of additional insurance. Such maximum shall be reviewed ~~every even calendar year~~ *at least once every five calendar years* by the actuary of the Virginia Retirement System and increased by the Board upon the recommendation of the actuary. The amount recommended by the actuary shall be based upon the annual increases in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the United States Department of Labor.

B. The optional life, accidental death, and dismemberment insurance shall be made available to each active insured employee under conditions prescribed by the Board. The conditions prescribed by the Board shall provide that offering the optional insurance does not materially increase the rates for any group life insurance policy provided pursuant to § 51.1-505.

C. All optional insurance on an employee shall cease upon the earlier of (i) the date the employee's basic coverage ceases or (ii) the date insurance being continued in retirement terminates pursuant to subsections D and E.

D. The optional amount of life insurance in force on an employee who retires for disability on an immediate retirement allowance may be continued, subject to payment of any required premium by the employee, during continuance of such disability but not beyond the end of the month in which the employee attains age ~~sixty-five~~ 65.

E. The optional amount of life insurance in force on an employee who retires for service on an immediate retirement allowance, or for an employee who retired for disability on an immediate retirement allowance and who attains age ~~sixty-five~~ 65, may be continued provided the retiree was continuously insured under this section for a period of at least ~~sixty~~ 60 continuous months prior to retirement, or prior to reaching age ~~sixty-five~~ 65 for a disability retirement. This continued insurance shall be in incremental amounts not to exceed \$200,000 and the amounts and corresponding maximum coverage shall reduce beginning at age ~~sixty-five~~ 65 as determined by the Board. This maximum coverage amount shall be reviewed every even calendar year as provided for under subsection A. The life insurance continued under this subsection shall cease upon the earliest of (i) the date the retiree attains age ~~eighty~~ 80, (ii) lapse for nonpayment of premium, or (iii) return to employment and eligibility for active employee life insurance under Chapter 5 (§ 51.1-500 et seq.) of Title 51.1. All accidental death and dismemberment insurance shall cease at retirement.

F. The cost of the optional insurance shall be determined periodically by the Board on the basis it considers appropriate. The Board may discontinue the optional insurance plan at any time upon determination that employee participation is not sufficient to continue the plan on a sound actuarial basis.

G. The amount of optional life, accidental death, and dismemberment insurance in force on any employee at the date of his death shall be paid as provided in this chapter.

H. The Board shall determine the form and content of the accounting reports to be made by the insurance company with respect to the optional insurance. Any expenses incurred by the Retirement System for operating and administering the optional insurance programs provided in this section may be recovered by the Board from the advance premium deposit reserve required by subsection B of § 51.1-514.