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HOUSE BILL NO. 448

Offered January 24, 1994

A BILL to amend the Code of Virginia by adding in Title 2.1 a section numbered 2.1-20.1:2.1, relating to conversion of life insurance provided by the Virginia Retirement System to a health insurance account.

Patrons—Hall and Heilig

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 2.1 a section numbered 2.1-20.1:2.1 as follows:

§ 2.1-20.1:2.1. Conversion of life insurance to health insurance account for retirees.

A. Any state employee as defined in § 2.1-20.1 who is eligible to continue his life insurance coverage upon retirement as provided in § 51.1-402 may convert the present value of his life insurance policy and deposit the proceeds in a health insurance account. This election may be made at the time of retirement or at any time subsequent to retirement. The amount deposited on behalf of the retired state employee into the health insurance account may be used to pay (i) the monthly health insurance premium for the state health insurance plan established under § 2.1-20.1 or (ii) the cost of long-term care. Upon depletion of the amount deposited in the account of the retired state employee, the retiree shall be liable for additional health insurance premiums.

B. Such health insurance accounts shall be administered by the Department of Personnel and Training, which may promulgate regulations to carry out the provisions of this section. The individual account of the retired state employee shall be credited with interest at a rate established by the Board of Trustees of the Virginia Retirement System. If the retiree dies prior to depletion of the health insurance account, the balance in the account shall be used to pay the premium for family coverage for any family members of the retiree who were covered by the state health insurance plan prior to the death of the retiree and who are eligible to continue that coverage. If there are no family members who are eligible or who choose to continue coverage, the beneficiary designated by the retiree shall receive the balance of the account.

INTRODUCED

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