

LD3176681

SENATE BILL NO. 1064

Offered January 23, 1995

A BILL to amend and reenact § 51.1-512 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 51.1-512.1, relating to optional insurance benefits.

Patron—Holland, R.J.

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 51.1-512 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 51.1-512.1 as follows:

§ 51.1-512. Optional insurance for employees.

A. The Board is ~~authorized shall~~, under the terms and conditions specified in this chapter, ~~to~~ increase the coverage under the insurance policies ~~to~~ and make available to each active insured employee optional life, accidental death, and dismemberment insurance in *incremental amounts equal to the amounts provided in this chapter up to six times the employee's annual salary. If an employee's annual salary is not an even multiple of \$1,000, his annual salary for purposes of this section shall be considered to be the next higher \$1,000. For purposes of this section and § 51.1-512.1, the annual salary of a member of the General Assembly and for an employee retired for service or disability on an immediate retirement allowance shall be determined as provided in § 51.1-505.*

B. The optional life, accidental death, and dismemberment insurance shall be made available to each active insured employee under age seventy 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.* Optional amounts of insurance shall not be made available to any employee retired for service.

C. All optional insurance on an employee shall cease upon the earliest of (i) the date the employee retires for service, (ii) the date the employee's basic coverage ceases, or (iii) the end of the month in which the employee attains age seventy. 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.

D. During any period in which an active employee has the optional insurance in force, the full cost thereof shall be withheld from his salary. During any period in which an employee continues optional life insurance after retiring for disability on an immediate retirement allowance, the full cost thereof shall be withheld from his retirement allowance.

E. The cost of the optional insurance shall be determined periodically by the Board on the basis it considers appropriate.

F. 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.

G. The provisions of § 51.1-514 shall not apply to the optional insurance. 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.

§ 51.1-512.1. Optional insurance for the spouse and minor dependents of employees.

A. *The Board shall, under the terms and conditions specified in this chapter, increase the coverage under the insurance policies to make available to any active insured employee optional life, accidental death, and dismemberment insurance on the employee's spouse and minor dependents in the following amounts:*

1. For the spouse of an active insured employee: an amount up to the maximum amount of optional insurance available to the employee under § 51.1-512.

2. For any minor dependent of an active insured employee: \$5,000, \$10,000, or \$15,000. The Board shall adjust these amounts periodically to account for changes in the purchasing power of money over time.

B. *The optional life, accidental death, and dismemberment insurance on the employee's spouse and minor dependents shall be made available for purchase by each active insured employee under conditions prescribed by the Board.*

C. *All optional insurance on an employee's spouse shall cease upon the earliest of (i) the date the employee retires for service, (ii) the date the employee's basic coverage ceases, or (iii) the entry of a final divorce decree terminating the marriage of the employee and the employee's spouse. All optional*

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SB1064

60 insurance on an employee's minor dependent shall cease upon the earliest of (i) the date the employee
61 retires for service, (ii) the minor dependent attains the age of twenty-one, unless the minor dependent is
62 a full-time college student, then age twenty-five, and unless the minor dependent is under a mental or
63 physical disability, in which event coverage shall not terminate until three months following cessation of
64 the disability, (iii) marriage of the minor dependent, or (iv) the date the employee's basic coverage
65 ceases. Subject to foregoing limitations, the optional amount of life insurance in force on the spouse or
66 minor dependent of an employee who retires for disability on an immediate retirement allowance may be
67 continued, subject to payment of any required premium by the employee, during continuance of such
68 disability but not beyond the end of the month in which the employee attains age sixty-five.

69 D. During any period in which an active employee has optional insurance in force on the employee's
70 spouse or minor dependent, the full cost thereof shall be withheld from the employee's salary. During
71 any period in which an employee continues optional life insurance on the employee's spouse or minor
72 dependent after retiring for disability on an immediate retirement allowance, the full cost thereof shall
73 be withheld from the employee's retirement allowance.

74 E. The cost of the optional insurance shall be determined periodically by the Board on the basis it
75 considers appropriate. The rates for the optional insurance provided pursuant to this section shall be
76 established by rating the pool of covered individuals separately from the pool covered by policies
77 providing coverage pursuant to § 51.1-505 or § 51.1-512.

78 F. The amount of optional life, accidental death, and dismemberment insurance in force on an
79 employee's spouse or minor dependent at the date of his or her death shall be paid as provided in this
80 chapter.

81 G. The provisions of § 51.1-514 shall not apply to optional insurance provided for the spouse and
82 minor dependents of employees. The Board shall determine the form and content of the accounting
83 reports to be made by the insurance company with respect to the optional insurance.

84 H. As used in this section, an employee's "minor dependent" means a child member of the employee's
85 family who is eligible for coverage under the family membership program offered under policies and
86 procedures of the Department of Personnel and Training governing health insurance plans administered
87 pursuant to § 2.1-20.1 or § 2.1- 20.1:02.

88 I. The provisions of this chapter applicable to the provision of group insurance policies to insure
89 eligible employees shall apply to optional insurance insuring the spouses and minor dependents of
90 eligible employees pursuant to this section, with the respective differences having been considered.