

LD2290124

SENATE BILL NO. 1064

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations
on February 16, 1995)

(Patron Prior to Substitute—Senator Holland, R.J.)

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.

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 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 four times the employee's annual salary, not to exceed a total of \$500,000 of additional insurance. Such maximum shall be increased every other calendar year, beginning January 1, 1998, to an amount recommended by the actuary of the Virginia Retirement System, 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. 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. ~~On or after July 1, 1998, 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.~~

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, 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 fifty percent of 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.*

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60 C. All optional insurance on an employee's spouse shall cease upon the earliest of (i) the date the
61 employee retires from service, (ii) the date the spouse attains age 70, (iii) the date the employee's basic
62 coverage ceases, or (iv) the entry of a final divorce decree terminating the marriage of the employee
63 and the employee's spouse. All optional insurance on an employee's minor dependent shall cease upon
64 the earliest of (i) the date the employee retires for service, (ii) the minor dependent attains the age of
65 twenty-one, unless the minor dependent is a full-time college student, then age twenty-five, and unless
66 the minor dependent is under a mental or physical disability, in which event coverage shall not
67 terminate until three months following cessation of the disability, (iii) marriage of the minor dependent,
68 or (iv) the date the employee's basic coverage ceases. Subject to foregoing limitations, the optional
69 amount of life insurance in force on the spouse or minor dependent of an employee who retires for
70 disability on an immediate retirement allowance may be continued, subject to payment of any required
71 premium by the employee, during continuance of such disability but not beyond the end of the month in
72 which the employee attains age sixty-five.

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

78 E. The cost of the optional insurance shall be determined periodically by the Board on the basis it
79 considers appropriate. On or after July 1, 1998, the Board may discontinue the optional insurance plan
80 at any time upon determination that employee participation is not sufficient to continue the plan on a
81 sound actuarial basis.

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

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

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

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