

LD3407845

SENATE BILL NO. 805

Offered January 18, 1995

A *BILL to amend and reenact § 38.2-3323 of the Code of Virginia, relating to insurance; extending group life insurance coverage of incapacitated and dependent children.*

Patron—Wampler

Referred to the Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That § 38.2-3323 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-3323. Group life insurance coverages of spouses and minor dependent children; dependent handicapped children.

A. Coverage under a group life insurance policy, except a group credit life insurance policy, may be extended to insure the spouse and any child who is under the age of nineteen years or who is a dependent and a full-time student under twenty-five years of age, or any class of spouses and dependent children, of each insured group member who so elects. The amount of insurance on the life of a spouse or child shall not exceed the amount of insurance on the life of the insured group member.

B. A spouse insured under this section shall have the same conversion right to the insurance on his or her life as the insured group member.

C. Notwithstanding the provisions of § 38.2-3331, one certificate may be issued for each family unit if a statement concerning any spouse's or dependent child's coverage is included in the certificate.

D. In addition to the coverages afforded by the provisions of this section, any such plan for group life insurance which includes coverage for children shall afford coverage to any child who is both (i) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (ii) chiefly dependent upon the employee for support and maintenance. *Proof of incapacity and dependency shall be furnished to the insurer by the policyowner within thirty-one days of the child's attainment of the specified age. Subsequent proof may be required by the insurer but not more frequently than annually after the two-year period following the child's attainment of the specified age.* The insurer shall be allowed to charge a premium at the insurer's then customary rate applicable to such group policy for such extended coverage.

E. 1. Upon termination of such group coverage of a child, the child shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual life insurance policy without disability or other supplementary benefits, if:

a. An application for the individual policy is made, and the first premium paid to the insurer, within thirty-one days after such termination; and

b. The individual policy, at the option of such person, is on any one of the forms then customarily issued by the insurer at the age and for the amount applied for, except that the group policy may exclude the option to elect term insurance;

c. The individual policy is in an amount not in excess of the amount of life insurance which ceases because of such termination, less the amount of any life insurance for which such person becomes eligible under the same or any other group policy within thirty-one days after such termination, provided that any amount of insurance which has matured on or before the date of such termination as an endowment payable to the person insured, whether in one sum or in installments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination; and

d. The premium on the individual policy is at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such person then belongs, and to the individual age attained on the effective date of the individual policy.

2. Subject to the same conditions set forth above, the conversion privilege shall be available (i) to a surviving dependent, if any, at the death of the group member, with respect to the coverage under the group policy which terminates by reason of such death, and (ii) to the dependent of the group member upon termination of coverage of the dependent, while the group member remains insured under the group policy, by reason of the dependent ceasing to be a qualified family member under the group policy.

INTRODUCED

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