

14101830D

SENATE BILL NO. 101

Offered January 8, 2014

Prefiled December 27, 2013

A BILL to amend and reenact § 51.1-512 of the Code of Virginia, relating to life insurance for retired state employees.

 Patron—Ruff

Referred to 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 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 *and each retired state employee* optional life, accidental death, and dismemberment insurance in incremental additional amounts not to exceed a maximum amount determined by the Board. Such maximum shall be reviewed 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 *and each retired state 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 his "normal retirement date" as defined in § 51.1-124.3.

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 his "normal retirement date" as defined in § 51.1-124.3, may be continued provided the retiree was continuously insured under this section for a period of at least 60 continuous months prior to retirement, or prior to reaching his "normal retirement date" as defined in § 51.1-124.3 for a disability retirement. This continued insurance shall be in incremental amounts not to exceed a maximum amount determined by the Board and the amounts and corresponding maximum coverage shall reduce beginning at the employee's "normal retirement date" as defined in § 51.1-124.3, as determined by the Board. This maximum coverage amount shall be reviewed at least once every five calendar years 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 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.

INTRODUCED

SB101