

SUBJECT: Full group life insurance coverage option for families of state employees

COMMITTEE: Insurance — favorable, without amendment

VOTE: 8 ayes — Smithee, Eiland, Burnam, J. Moreno, Olivo, Seaman, Thompson, Wise
0 nays
1 absent — G. Lewis

SENATE VOTE: On final passage, March 15 — voice vote

WITNESSES: No public hearing

BACKGROUND: The Insurance Code, Art. 3.51-4A limits the amount of group term life insurance coverage for a state employee's spouse or child to one-half of the amount of insurance on the employee's life.

DIGEST: SB 405 would allow group life insurance policies on the spouse or child of a state employee to equal the amount of coverage for the employee. The bill would authorize the extension of group life benefits to an employee's spouse or child for all types of lawfully issued and delivered group life insurance.

SB 405 would take effect September 1, 1999, and apply to a policy delivered, issued for delivery, or renewed on or after January 1, 2000.

SUPPORTERS SAY: SB 405 would give state employees more options and increase the amount of available life insurance coverage for their families. Group life insurance has advantages over individual life insurance, including lower cost and no required medical examination. However, current law does not allow the extension of group life benefits other than term life insurance to spouses and children of state employees. Term life only covers a set number of years while other forms of life insurance, such as whole or universal, cover an entire lifetime and sometimes have an investment component.

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OPPONENTS No apparent opposition.
SAY: