

FINAL BILL REPORT

EHB 1146

C 222 L 05

Synopsis as Enacted

Brief Description: Funding group life insurance.

Sponsors: By Representatives Roach, Kirby and Simpson.

House Committee on Financial Institutions & Insurance

Senate Committee on Financial Institutions, Housing & Consumer Protection

Background:

The Office of the Insurance Commissioner regulates life insurance contracts that are issued or delivered in Washington. The law permits an employer to provide group life insurance policies for the benefit of employees and their families. If the employer offers this benefit, the employer must pay all or part of the premium. Employees are not allowed to pay the entire premium.

These group life policies may be issued only if there are at least 10 covered lives. If part of the premium is to be paid by employees, at least 75 percent of the eligible employees must elect to make the required contribution.

In some cases, coverage offered by an employer may be extended to the employee's spouse and dependent children. An employee may purchase life insurance on the family member in an amount not to exceed 50 percent of the insurance on the life of the employee.

Summary:

Group life policies may be issued where the entire premium is paid by the insured employees. The minimum group size is reduced from 10 to two. The minimum participation rate for insured employees is eliminated. In cases where group life coverage is extended to spouses and dependents, the spouse or dependent may be insured up to the same amount as is purchased by the insured employee. The premiums for insurance on family members must be paid by the policyholder. The funds for these premiums may come from the employer, employee, funds contributed to the employee, trust, or labor union.

Votes on Final Passage:

House	98	0
Senate	40	0

Effective: July 24, 2005