



# House of Representatives

General Assembly

**File No. 152**

February Session, 2004

Substitute House Bill No. 5549

*House of Representatives, March 18, 2004*

The Committee on Insurance and Real Estate reported through REP. OREFICE of the 37th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING LIFE INSURANCE OFFERED TO STATE EMPLOYEES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 5-257 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2004*):

4 (a) (1) The Comptroller, with the approval of the Attorney General  
5 and [of] the Insurance Commissioner, may revise the group insurance  
6 plan for employees of the state by amendment of any existing group  
7 life insurance policy or policies or by procuring from one or more life  
8 insurance companies authorized to do business in Connecticut a policy  
9 or policies of group life insurance covering employees of the state.  
10 Each employee in active state service shall be eligible for insurance  
11 under this section, provided [he shall have] the employee has  
12 completed more than six months' continuous state service, and each  
13 member of the General Assembly shall be eligible for insurance under

14 this section [,] six months after taking office. Any such group policy  
 15 may provide that each employee or member of the General Assembly  
 16 eligible for insurance [thereunder] under the policy shall become  
 17 insured on the date [he] the employee or member becomes eligible  
 18 unless [he] the employee or member declines the insurance in such  
 19 manner as may be provided in the policy.

20 (2) On and after July 1, 2004, no employee or member shall be  
 21 eligible for more than one group life insurance policy for any period of  
 22 employment or service as a member, or as a result of receiving credit  
 23 pursuant to subdivision (2) or (3) of subsection (c) of section 5-164a.

This act shall take effect as follows:	
Section 1	July 1, 2004

**INS**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 05 \$</b>	<b>FY 06 \$</b>
State Comptroller - Fringe Benefits	Various - Savings	Minimal	Minimal

**Municipal Impact:** None

**Explanation**

The bill prohibits state employees and members of the General Assembly with multiple service periods from obtaining more than one group life insurance policy. This change is anticipated to impact a small number of individuals thereby resulting in a minimal savings. The state share of the group life policy is funded by an appropriation to a Miscellaneous Account administered by the State Comptroller. For active state employees, the state portion of the coverage is \$2.14 per year per \$1,000 of coverage.

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**OLR Bill Analysis**

sHB 5549

**AN ACT CONCERNING LIFE INSURANCE OFFERED TO STATE EMPLOYEES**

**SUMMARY:**

Beginning July 1, 2004, this bill prohibits state employees, judicial marshals, and General Assembly members from being eligible for more than one group life insurance policy during any period of pre- or post-retirement employment or service. This means that state employees, judicial marshals, and General Assembly members will only be able to be insured by one group life insurance plan. A post-retirement employee is a person who retired from state employment and is then (1) reemployed on a permanent basis, (2) elected to the General Assembly, (3) employed as a General Assembly sessional employee, or (4) employed as a judicial marshal.

The law authorizes the comptroller, with the Attorney General's and insurance commissioner's approval, to revise the group life insurance plan for state employees. Employees are eligible for coverage after six months of continuous service. General Assembly members are eligible six months after taking office. Insured employees who retire in accordance with a state retirement plan are able to continue a certain amount of life insurance.

It is unclear whether the prohibition applies to employees and members entering or reentering service for the first time on or after July 1, 2004, or if employees and members currently covered by two or more group life insurance plans are also affected. It is also unclear whether a person covered under a non-state-offered group life insurance plan (e.g., a spouse's group policy) is ineligible for a state-offered life insurance policy.

EFFECTIVE DATE: July 1, 2004

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute  
Yea 16    Nay 1