

# HOUSE BILL REPORT

## HB 1041

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As Reported By House Committee On:  
Financial Institutions & Insurance

**Title:** An act relating to family member coverage under group life insurance policies.

**Brief Description:** Altering a limit on family member group life insurance coverage.

**Sponsors:** Representatives Zellinsky and Mielke.

**Brief History:**

Reported by House Committee on:  
Financial Institutions & Insurance, January 28, 1993, DP.

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### HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass. Signed by 14 members: Representatives Zellinsky, Chair; Scott, Vice Chair; Mielke, Ranking Minority Member; Dyer, Assistant Ranking Minority Member; Dellwo; Grant; R. Johnson; Kessler; Kremen; Lemmon; R. Meyers; Reams; Schmidt; and Tate.

**Staff:** John Conniff (786-7119).

**Background:** The insurance code limits the amount of group life insurance that may be provided by an employer to an employee's spouse or dependents. Dependents are limited to no more than 50 percent of the amount of insurance covering the employee or \$2,000 whichever is less; and spouses are limited to no more than 50 percent of the amount of insurance covering the employee.

**Summary of Bill:** The \$2,000 group life insurance coverage limit for dependents of an employee is repealed.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Employee benefit plans often contain life insurance benefits that may be extended to the employee's spouse and dependents. However, even if there are sufficient funds available to provide an increase in the amount of life insurance coverage for dependents, an old

provision of the insurance code prevents this increase of benefits for dependents. This provision should be changed to permit, at least, the life insurance coverage to be in the amount available to employee spouses.

**Testimony Against:** None.

**Witnesses:** Sam Kinville, Washington State Council of County & City Employees.