

SENATE BILL REPORT

HB 1041

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, MARCH 24, 1993

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

SPONSORS: Representatives Zellinsky and Mielke

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Barr, Cantu, Fraser, McAuliffe, Newhouse, Pelz, Prince, and Sutherland.

Staff: Erika Lim (786-7488)

Hearing Dates: March 18, 1993; March 24, 1993

BACKGROUND:

Group life insurance may be provided by an employer to an employee's spouse or dependents. A dependent's coverage is limited to no more than 50 percent of the amount of the employee's coverage or \$2000, whichever is less. A spouse's coverage is limited to no more than 50 percent of the amount of the employee's coverage.

SUMMARY:

The \$2000 group life insurance coverage limit for dependents of an employee is repealed.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

The \$2,000 limit was imposed in the 1940's and no one can remember why. It is an arbitrary limit.

Even if a fund is large enough to provide an increase in coverage for dependents, current law prohibits it.

TESTIMONY AGAINST: None

TESTIFIED: Sam Kinville, Washington State Council of City and County Employees (pro); Melodie Bankers, Office of the Insurance Commissioner (pro)