

HOUSE BILL REPORT

HB 1343

As Reported by House Committee On:
State Government Operations & Accountability

Title: An act relating to active duty members of the national guard.

Brief Description: Providing a life insurance policy for national guard members called to active duty.

Sponsors: Representatives P. Sullivan, Walsh, Simpson, Green, Buri, Kessler, Haler, Morrell, McCoy, Williams, Linville, Hasegawa, Roberts, Sells, McDermott, Chase and Ormsby.

Brief History:

Committee Activity:

State Government Operations & Accountability: 2/11/05, 2/16/05 [DPS].

Brief Summary of Substitute Bill

- Payment of Federal Servicemembers' Group Life Insurance premiums are reimbursed to National Guard members called to active duty outside the United States.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Haigh, Chair; Green, Vice Chair; Nixon, Ranking Minority Member; Clements, Assistant Ranking Minority Member; Hunt, McDermott, Miloscia, Schindler and Sump.

Staff: Marsha Reilly (786-7135).

Background:

If a soldier is killed in combat, the soldier's family receives a \$12,000 death benefit. Service members may opt to purchase life insurance beginning at a minimum of \$10,000 of coverage up to a maximum of \$250,000 through the Federal Servicemembers' Group Life Insurance Program. The monthly premiums for the insurance are \$0.65 for each \$10,000 of coverage, or \$16.25 for the maximum coverage.

Summary of Substitute Bill:

The Military Department is directed to reimburse National Guard members the monthly premium that a guard member pays for the Federal Servicemembers' Group Life Insurance Program. The premium is paid only while the guard member is deployed outside the United States.

The bill contains a null and void clause.

Substitute Bill Compared to Original Bill:

The original bill required the state to issue a \$250,000 life insurance policy to national guard members called to active duty and to pay the insurance premiums. Active duty under the original bill means active state service, active training duty, and federal service. The substitute bill defines active duty as deployment outside the United States and requires the state to pay for the insurance premiums for the Federal Servicemembers' Group Life Insurance

Appropriation: None.

Fiscal Note: Requested on substitute February 17, 2005.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately. However, the bill is null and void if not funded in the budget.

Testimony For: (In support) The sponsor supports the substitute bill. Many of our National Guard members are serving in a different capacity. They are on the front lines instead of responding to a state emergency. A number of states have considered the life insurance program. New Mexico has adopted a policy and Pennsylvania and Rhode Island are currently considering similar policies. Under the original bill, the insurance would have covered all National Guardsmen called to duty and was problematic in that costs could not be identified in the fiscal note. Under the substitute, the life insurance premiums would be paid for approximately 1,000 guard members at an estimate of about \$390,000 a biennium. It is hoped that the policy isn't used, but a family shouldn't have to face a financial crisis in addition to a personal tragedy.

(Neutral) The Military Department is neutral on the bill. The \$12,420 is a death gratuity paid by the federal government and not an insurance payment. There is a bill in Congress that has the support of President Bush to raise this gratuity to \$100,000. Separate and apart from this issue is the Servicemembers' Group Life Insurance. The federal government makes available to all National Guard members and reserve members this policy regardless of where they serve. The cost of the maximum coverage is \$16.25 per month. Ninety-five percent have elected to purchase this discretionary coverage and 90 percent of those take the full amount. The substitute bill would require that we put the affected members in some kind of state status in order to process the reimbursements. Legislation pending in Congress that would raise the \$250,000 coverage to \$400,000 while members are in a combat zone. The federal government would pay the premium for the first \$150,000 of the elevated \$400,000 coverage. If this happens, it likely would reduce the fiscal impact of the bill.

Testimony Against: None.

Persons Testifying: (In support) Representative Sullivan, prime sponsor.

(Neutral) Major General Timothy Lowenberg, Washington Military Department.

Persons Signed In To Testify But Not Testifying: None.