

---

**SUBSTITUTE SENATE BILL 5212**

---

**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Fairley, Benson and Keiser)

READ FIRST TIME 02/03/05.

1 AN ACT Relating to funding group life insurance; and amending RCW  
2 48.24.020 and 48.24.030.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.24.020 and 1955 c 303 s 29 are each amended to read  
5 as follows:

6 The lives of a group of individuals may be insured under a policy  
7 issued to an employer, or to the trustees of a fund established by an  
8 employer, which employer or trustee is deemed the policyholder,  
9 insuring employees of the employer for the benefit of persons other  
10 than the employer, subject to the following requirements:

11 (1) The employees eligible for insurance under the policy shall be  
12 all of the employees of the employer, or all of any class or classes  
13 thereof determined by conditions pertaining to their employment. The  
14 policy may provide that the term "employees" shall include the  
15 employees of one or more subsidiary corporations, and the employees,  
16 individual proprietors, and partners of one or more affiliated  
17 corporations, proprietors or partnerships if the business of the  
18 employer and of such affiliated corporations, proprietors or  
19 partnerships is under common control through stock ownership, contract

1 or otherwise. The policy may provide that the term "employees" shall  
2 include the individual proprietor or partners if the employer is an  
3 individual proprietor or a partnership. The policy may provide that  
4 the term "employees" shall include retired employees.

5 (2) The premium for the policy shall be paid by the policyholder,  
6 either wholly from the employer's funds or funds contributed by him or  
7 her, or partly from such funds and partly from funds contributed by the  
8 insured employees, or from funds contributed entirely by the insured  
9 employees. ~~((No policy may be issued on which the entire premium is to~~  
10 ~~be derived from funds contributed by the insured employees. A policy~~  
11 ~~on which part of the premium is to be derived from funds contributed by~~  
12 ~~the insured employees may be placed in force only if at least seventy-~~  
13 ~~five percent of the then eligible employees, excluding any as to whom~~  
14 ~~evidence of individual insurability is not satisfactory to the insurer,~~  
15 ~~elect to make the required contributions.)) A policy on which no part~~  
16 of the premium is to be derived from funds contributed by the insured  
17 employees must insure all eligible employees, or all except any as to  
18 whom evidence of individual insurability is not satisfactory to the  
19 insurer.

20 (3) The policy must cover at least ~~((ten))~~ two employees at date of  
21 issue.

22 (4) The amounts of insurance under the policy must be based upon  
23 some plan precluding individual selection either by the employees or by  
24 the employer or trustees.

25 **Sec. 2.** RCW 48.24.030 and 1993 c 132 s 1 are each amended to read  
26 as follows:

27 (1) Insurance under any group life insurance policy issued pursuant  
28 to RCW 48.24.020, or 48.24.050, or 48.24.060, or 48.24.070 or 48.24.090  
29 may~~((, if seventy five percent of the then insured employees or labor~~  
30 ~~union members or public employee association members or members of the~~  
31 ~~Washington state patrol elect,)) be extended to insure the spouse and  
32 dependent children, or any class or classes thereof, of each such  
33 insured employee or member who so elects, in amounts in accordance with  
34 a plan which precludes individual selection by the employees or members  
35 or by the employer or labor union or trustee, and which insurance on  
36 the life of any one family member including a spouse shall not be in~~

1 excess of (~~fifty percent of the insurance on the life of the insured~~  
2 ~~employee or member~~) the amount purchased by the insured employee.

3 Premiums for the insurance on such family members shall be paid by  
4 the policyholder, either from the employer's funds (~~(or)~~)  funds  
5  contributed (~~(by)~~) to him or her, employee's funds, trustee's funds, or  
6  labor union funds (~~(, and/or from funds contributed by the insured~~  
7  ~~employees or members, or from both~~).

8 (2) Such a spouse insured pursuant to this section shall have the  
9 same conversion right as to the insurance on his or her life as is  
10 vested in the employee or member under this chapter.

--- END ---