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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# SENATE BILL

No. **195** Session of  
1961

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INTRODUCED BY MESSRS. WEINER AND RIPP,  
FEBRUARY 13, 1961.

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REFERRED TO COMMITTEE ON STATE GOVERNMENT,  
FEBRUARY 13, 1961.

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## AN ACT

Providing for group life insurance for State employes establishing a schedule providing for payment providing for reduction of insurance upon retirement and authorizing the Secretary of the Department of Property and Supplies to act as exclusive broker for the purpose of contracting for insurance

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows

- 1 Section 1 Group Life Insurance for State Employes The De-
- 2 partment of Property and Supplies with the approval of the Governor

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EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter ~~stricken through~~ is to be omitted from bill. Underscoring indicates new matter added to existing law. [Brackets] indicate matter ~~stricken from~~ existing law.

1 with the advice of the Auditor General Attorney General and of the  
2 Insurance Commissioner shall procure from one or more life insurance  
3 companies authorized to do business in the Commonwealth of Pennsyl-  
4 vania a policy or policies of group life insurance covering full-time  
5 permanent employes of the executive legislative and judicial branch of  
6 the Commonwealth of Pennsylvania its commissions boards depart-  
7 ments and authorities For the purposes of this act the term "employes"  
8 shall include the members of the General Assembly Each such employe  
9 in active service shall be eligible for insurance under sections 1 to  
10 5 inclusive provided he shall have completed six months continuous  
11 service as such employe Seasonal and part-time employes and any em-  
12 ploye insured on the effective date of this act under any policy the  
13 premium of which is paid in whole or in part by the State or any  
14 authority thereof shall not be eligible

15 Section 2 Amount of Insurance The maximum amount of such  
16 life insurance for any insured employe shall be based on the employe's  
17 yearly gross compensation rate in accordance with the following schedule

18 Schedule of Group Life Insurance

1	Amount of		
2	Class	Yearly Gross Compensation	Life Insurance
3	1	less than \$2500	\$2500
4	2	\$2500 to 3499	3000
5	3	3500 to 4499	4000
6	4	4500 to 5499	5000
7	5	5500 to 6499	6000
8	6	6500 to 7499	7000
9	7	7500 to 8499	8000
10	8	8500 and over	10000

11 Any increase in the amount of life insurance made possible by an  
 12 increase in compensation shall take effect on the next succeeding policy  
 13 anniversary but no reduction in the amount of life insurance shall  
 14 be required on account of a reduction in compensation For the pur-  
 15 pose of this section yearly gross compensation shall not include any  
 16 overtime pay and in the case of hourly workers shall be computed on  
 17 the basis of scheduled required work hours

18 Section 3 Contributions Each employe so insured shall pay the  
 19 cost of the insurance each month for each thousand dollars of the  
 20 employe's life insurance in such an amount as may be determined

1 from time to time on the basis of the actual total costs of the insur-  
2 ance policy or policies contracted for by the State Such costs shall  
3 reflect any dividends brokerage fees or commissions or other refunds  
4 received in excess of the State's administrative costs

5 Section 4 Reduction of Insurance on Retirement The insurance  
6 on any insured employe shall cease on termination of employment  
7 subject to any conversion privilege provided in the group life insurance  
8 policy or policies Notwithstanding anything to the contrary in this act  
9 the amount of insurance of insured employes retired in accordance with  
10 any retirement plan for State employes shall be one-half of the amount  
11 for which the employe was insured immediately before retirement or  
12 two thousand dollars (\$2000) whichever is less provided in neither case  
13 shall a retired employe be required to contribute toward the cost of  
14 any such insurance

15 Section 5 All Employes to be Automatically Insured Any policy  
16 of insurance purchased as authorized in this act shall provide that all  
17 employes eligible under the terms of this act will be automatically in-  
18 sured thereunder commencing on the date they first became so eligible  
19 Any employe desiring not to be so insured shall on an appropriate form  
20 to be prescribed by the board give written notice to his employing

1 office that he desires not to be insured If such notice is received be-  
2 fore the employe shall have become insured under such policy he shall  
3 not be so insured if it is received after he shall have become insured  
4 His insurance under the policy will cease effective with the end of the  
5 pay period during which the notice is received by the employing office

6 Section 6 Secretary of Property and Supplies to be Broker Fees  
7 The Secretary of the Department of Property and Supplies is hereby  
8 authorized and his duty shall be to transact all business as a licensed  
9 insurance broker for the purpose of contracting for insurance under the  
10 provisions of this act and his powers and duties to act as a broker  
11 hereunder shall be exclusive

12 Any and all fees collected by the Secretary of the Department  
13 of Property and Supplies for the performance of his duties as an in-  
14 surance broker shall be paid into the insurance fund provided for  
15 hereunder

16 Section 7 Effective Date This act shall take effect immediately

We certify that this bill has passed the Senate and the House of Representatives.

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Chief Clerk, Senate

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President pro tempore, Senate

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Speaker, House of Representatives

Approved The ..... day of ..... A. D. 1981.

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Governor