

---

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

SENATE BILL

No.

195

Session of  
1961

---

---

MESSRS. WEINER AND RIPP, IN PLACE,  
FEBRUARY 13, 1961.

---

---

---

---

MR. MCGINNIS, RE-REPORTED FROM APPROPRIATIONS,  
AS AMENDED, AUGUST 1, 1961.

---

---

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 COMMONWEALTH to act as exclusive broker for the purpose of contracting for insurance AND PROVIDING FOR ADMINISTRATION AND ADVISORY SERVICES BY THE DEPARTMENT OF STATE

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

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

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

17 Section 2 Amount of Insurance The maximum amount of such  
18 life insurance for any insured employe shall be based on the employe's

1 yearly gross compensation rate in accordance with the following schedule

2 Schedule of Group Life Insurance

3			Amount of
4	Class	Yearly Gross Compensation	Life Insurance
5	1	less than \$2500	\$2500
6	2	\$2500 to 3499	3000
7	3	3500 to 4499	4000
8	4	4500 to 5499	5000
9	5	5500 to 6499	6000
10	6	6500 to 7499	7000
11	7	7500 to 8499	8000
12	8	8500 and over	10000

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

1 Section 3 Contributions Each employe so insured shall pay the  
2 cost of the insurance each month for each thousand dollars of the  
3 employe's life insurance in such an amount as may be determined  
4 from time to time on the basis of the actual total costs of the insur-  
5 ance policy or policies contracted for by the State Such costs shall  
6 reflect any dividends brokerago fees or commissions or other refunds  
7 received in excess of the State's administrative costs

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

18 Section 5 All Employes to be Automatically Insured Any policy  
19 of insurance purchased as authorized in this act shall provide that all  
20 employes eligible under the terms of this act will be automatically in-

1   sured thereunder commencing on the date they first became so eligible  
2   Any employe desiring not to be so insured shall on an appropriate form  
3   to be prescribed by the board give written notice to his employing  
4   office that he desires not to be insured If such notice is received be-  
5   fore the employe shall have become insured under such policy he shall  
6   not be so insured if it is received after he shall have become insured  
7   His insurance under the policy will cease effective with the end of the  
8   pay period during which the notice is received by the employing office

9       Section 6 Secretary of ~~Property and Supplies~~ THE COMMON-  
10   WEALTH to be Broker Fees The Secretary of the Department of  
11   ~~Property and Supplies~~ COMMONWEALTH is hereby authorized and  
12   his duty shall be to transact all business ~~as a licensed insurance broker~~  
13   NECESSARY for the purpose of contracting for insurance under the  
14   provisions of this act and his powers and duties to act ~~as a broker~~  
15   ~~hereunder~~ IN THIS CAPACITY shall be exclusive

16       Any and all fees collected by the Secretary of the Department  
17   of ~~Property and Supplies~~ for the performance of his duties as an in-  
18   ~~surance broker~~ shall be paid into the insurance fund provided for  
19   ~~hereunder~~

1 THE LIFE INSURANCE COMPANY OR COMPANIES FROM  
2 WHOM SUCH INSURANCE IS PROCURED SHALL COMPUTE  
3 COMMISSIONS IN ACCORDANCE WITH THEIR STANDARD  
4 PRACTICE FOLLOWED IN OTHER SIMILAR PLANS THE SAID  
5 COMMISSIONS SHALL NOT BE PAID TO ANY ONE OR MORE  
6 LIFE INSURANCE AGENTS BUT SHALL BE PAID TO THE  
7 SECRETARY OF THE COMMONWEALTH TO BE USED BY HIM  
8 TO OFFSET ADMINISTRATIVE AND OTHER EXPENSES IN-  
9 CURRED IN THE ADMINISTRATION OF THE INSURANCE  
10 PLAN BY THE DEPARTMENT OF STATE THE RESIDUE OVER  
11 AND ABOVE THE AMOUNT NECESSARY TO OFFSET AD-  
12 MINISTRATIVE AND OTHER EXPENSES INCURRED IN THE  
13 ADMINISTRATION OF THE PLAN IF ANY SHALL BE USED  
14 TO REDUCE THE COST OF SUCH INSURANCE

15 SECTION 7 CONSULTING SERVICE THE SECRETARY OF  
16 THE COMMONWEALTH SHALL ESTABLISH AND MAIN-  
17 TAIN WITHIN THE DEPARTMENT OF STATE A BUREAU  
18 WITH TRAINED PERSONNEL FOR THE PURPOSE OF CON-  
19 SULTING WITH AND ADVISING STATE EMPLOYEES CON-

1 CONCERNING THE INSURANCE AUTHORIZED BY THIS ACT  
2 AND RELATED PROBLEMS

3 Section 4 8 Effective Date This act shall take effect immediately

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

.....  
Chief Clerk, Senate

.....  
President pro tempore, Senate

.....  
Speaker, House of Representatives

Approved The ..... day of ..... A. D. 1961.

.....  
Governor