
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 195

Session of
1961

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

AS AMENDED, ON THIRD READING, IN HOUSE OF
REPRESENTATIVES, AUGUST 30, 1961.

AN ACT

Providing for group life insurance for State employes establishing a
schedule providing for payment providing for reduction of in-
surance upon retirement authorizing the Secretary of the Com-
~~monwealth~~ PROPERTY AND SUPPLIES to act as exclusive
~~broker~~ AGENT for the purpose of contracting for insurance
and providing for administration and advisory services by the
Department of State PROPERTY AND SUPPLIES

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.

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

17 Section 2 Amount of Insurance The maximum amount of such
18 life insurance for any insured employee shall be based on the employee'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 MILEAGE REIMBURSEMENT OR overtime pay and in the case
19 of hourly workers shall be computed on the basis of scheduled required
20 work hours

1 Section 3 Contributions Each employe so insured shall pay either
2 directly or by means of a payroll deduction authorized by the employe
3 the cost of the insurance each month for each thousand dollars of
4 the employe's life insurance in such an amount as may be determined
5 from time to time on the basis of the actual total costs of the insurance
6 policy or policies contracted for by the State Such costs shall reflect
7 AND BE REDUCED BY any dividends brokerage fees or commis-
8 sions or other refunds received in excess of the State's administrative
9 costs

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

1 Section 5 All Employes to be Automatically Insured Any policy
2 of insurance purchased as authorized in this act shall provide that all
3 employes eligible under the terms of this act will be automatically in-
4 sured thereunder commencing on the date they first became so eligible
5 Any employe desiring not to be so insured shall on an appropriate form
6 to be prescribed by the board give written notice to his employing
7 office that he desires not to be insured If such notice is received be-
8 fore the employe shall have become insured under such policy he shall
9 not be so insured if it is received after he shall have become insured
10 His insurance under the policy will cease effective with the end of the
11 pay period during which the notice is received by the employing office

12 Section 6 Secretary of the Commonwealth PROPERTY AND
13 SUPPLIES to be Broker Fees AGENT The Secretary of the Common-
14 wealth PROPERTY AND SUPPLIES is hereby authorized and
15 his duty shall be to transact all business necessary for the purpose of
16 contracting for insurance under the provisions of this act and his powers
17 and duties to act in this capacity shall be exclusive

18 The life insurance company or companies from whom such insur-
19 ance is procured shall compute commissions in accordance with their
20 standard practice followed in other similar plans The said commissions

1 shall not be paid to any one or more life insurance agents but shall be
2 paid to the Secretary of the Commonwealth PROPERTY AND SUP-
3 PLIES to be used by him to offset administrative and other expenses
4 incurred in the administration of the insurance plan by the Department
5 of State PROPERTY AND SUPPLIES The residue over and
6 above the amount necessary to offset administrative and other expenses
7 incurred in the administration of the plan if any shall be used to reduce
8 the cost of such insurance

9 Section 7 Consulting Service The Secretary of the Commonwealth
10 PROPERTY AND SUPPLIES shall ~~establish and maintain~~ EMPLOY
11 within the Department of State PROPERTY AND SUPPLIES a
12 ~~bureau~~ with trained personnel for the purpose of consulting with and
13 advising State employes concerning the insurance authorized by this
14 act and related problems

15 SECTION 8 APPLICABILITY OF INSURANCE LAWS EX-
16 CEPT AS OTHERWISE SPECIFICALLY PROVIDED ALL IN-
17 SURANCE CONTRACTED UNDER THE PROVISIONS OF THIS
18 ACT SHALL BE SUBJECT TO THE LAWS OF THIS COMMON-
19 WEALTH RELATING TO INSURANCE

20 Section 9 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