

By Mr. Mannering of Boston, petition of Vincent G. Mannering relative to "cash value life insurance" under the group insurance plan for employees of the Commonwealth. Public Service.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Three.

AN ACT RELATIVE TO GROUP INSURANCE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 2 of chapter 32A of the General Laws,
2 as appearing in the 1990 Official Edition, is hereby amended by
3 adding the following paragraph:

4 (a) "Cash value life insurance", optional life insurance provided
5 by an insurance carrier rated not less than A++ by A.M. Best and
6 having the highest financial rating by at least two other insurance
7 rating services including Standard and Poors, Moody's, Duff and
8 Phelps and Weiss Rating Service, and rated no less than the fourth
9 highest by any one of such services. Such policy shall provide life
10 insurance coverage with flexible or fixed premium allowing
11 permanent coverage and cash value accumulation, for employee,
12 spouse, and dependent children, individually and/or collectively.

1 SECTION 2. Section 5 of said chapter 32A, as so appearing,
2 is hereby amended by adding the following paragraph.

3 Employees who choose for coverage under any optional cash
4 value life insurance plan may make a payroll deduction election
5 in any payroll period.

1 SECTION 3. Section 10A of said chapter 32A, as so
2 appearing, is hereby amended by adding the following
3 paragraph: —

4 The commissioner is hereby authorized to negotiate for and
5 implement an optional cash value life insurance program for
6 employees eligible for insurance benefits with the commonwealth

7 to be paid through payroll deductions at regular intervals that will
8 be paid to the provider as premiums.

1 SECTION 4. Section 16 of said chapter 32A, as so appearing,
2 is hereby amended by adding the following subsection: —

3 A cash value life insurance policy may be retained by a
4 terminated employee with its cash value and benefits by
5 continuing the premium payments with no change in premium
6 payments or difference in charges from the employer sponsored
7 program.

1 SECTION 5. Section 2 of chapter 32B of the General Laws,
2 as so appearing, is hereby amended by adding the following
3 paragraph: —

4 (a) "Cash value life insurance", optional life insurance provided
5 by an insurance carrier rated not less than A++ By A.M. Best and
6 having the highest financial rating by at least two other insurance
7 rating services including Standard and Poors, Moody's, Duff and
8 Phelps and Weiss Rating Service, and rated no less than the fourth
9 highest by any one of such services. Such policy shall provide life
10 insurance coverage with a flexible or fixed premium allowing
11 permanent coverage and cash value accumulation.

1 SECTION 6. Section 7 of Chapter 32B, as so appearing, is
2 hereby amended by adding the following paragraph: —

3 (d) The state treasurer shall withhold, upon direction of an
4 eligible employee, an amount sufficient to pay premiums to the
5 insurance carrier providing cash value insurance authorized by the
6 commission. Any eligible employee may authorized a deduction
7 in any period. Said treasurer shall begin deductions within two
8 payroll periods of the deduction authorization.

1 SECTION 7. Notwithstanding the provisions of any general or
2 special law, or rule or regulation to the contrary, all active
3 employees of the commonwealth eligible for group insurance
4 benefits, regardless of current participation status in any of the
5 benefit programs, are eligible to choose an optional cash value
6 life insurance program and shall be allowed to enroll in such
7 program in any payroll period, with payroll deduction to
8 commence within two payroll periods of the enrollment date.