

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1675

By: Johnson (Rob)

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6 AS INTRODUCED

7 An Act relating to employee benefits; amending 74
8 O.S. 2011, Section 1316.1, which relates to the
9 continuation or purchase of life insurance benefits;
10 providing for assignment of life insurance incidents
11 of ownership; prescribing effect of assignment;
12 providing for effect of assignment related to
13 coverage amount; requiring promulgation of rules;
14 providing an effective date; and declaring an
15 emergency.

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. AMENDATORY 74 O.S. 2011, Section 1316.1, is
18 amended to read as follows:

19 Section 1316.1. A. Any person who retires or who has elected
20 to receive a vested benefit under the provisions of the State of
21 Oklahoma retirement systems or persons who are currently drawing
22 disability benefits under ~~Section 1331 et seq. of this title~~ the
23 State Employees Disability Program Act or who meet each and every
24 requirement of the State Employees Disability Program or the spouse
or dependent of any such employee may continue in force the life
insurance benefits authorized by ~~this act~~ the State and Education

1 Employees Group Insurance Act in a face amount of not less than one-
2 fourth (1/4) of the basic life insurance amount, if such election to
3 continue in force is made within thirty (30) days from the time of
4 severance. Persons electing to continue in force life insurance
5 benefits shall pay the full cost of the life insurance and under
6 such terms and conditions as established by the State and Education
7 Employees Group Insurance Board. Further, any such retiree may
8 continue in force any additional life insurance that was purchased
9 prior to retirement at an actuarially adjusted rate and under such
10 terms and conditions as established by the Board.

11 Effective January 1, 2002, nonvested employees may also continue
12 their life insurance benefits as provided in this section following
13 termination of employment, if the employee has completed at least
14 eight (8) years of service with an employer participating in the
15 Oklahoma Public Employees Retirement System or at least ten (10)
16 years of service with an employer participating in the Teachers'
17 Retirement System of Oklahoma. The election to continue the
18 employee's life insurance in force must be made within thirty (30)
19 days after the date of termination.

20 B. Any retired employee who is receiving a benefit or
21 terminates employment with a vested benefit from the Teachers'
22 Retirement System of Oklahoma and who becomes enrolled in the health
23 insurance plan offered by the State and Education Employees Group
24 Insurance Act, pursuant to subsection E of Section 5-117.5 of Title

1 70 of the Oklahoma Statutes, may elect to purchase life insurance
2 benefits in amounts and at a cost as provided for in this section.

3 C. In lieu of subsection A of this section, any person who
4 retires or who has elected to receive a vested benefit under the
5 provisions of the State of Oklahoma retirement systems and who is
6 participating in a health insurance plan, the dental insurance plan,
7 or the life insurance plan offered by the State and Education
8 Employees Group Insurance Board, including such persons who are
9 currently drawing disability benefits under ~~Section 1331 et seq. of~~
10 ~~this title~~ the State Employees Disability Program Act or who meet
11 each and every requirement of the State Employees Disability Program
12 on or before July 1, 1999, or the spouse of any such person may
13 elect to purchase life insurance benefits authorized by this
14 subsection in a face amount not to exceed Fifty Thousand Dollars
15 (\$50,000.00). Eligible persons pursuant to this subsection shall
16 make an election by January 1, 2000, to purchase the life insurance
17 coverage provided in this subsection. Life insurance coverage
18 pursuant to this subsection shall depend upon providing satisfactory
19 evidence of insurability for the person who is to be covered. Life
20 insurance coverage, pursuant to this subsection, shall be purchased
21 in blocks of Five Thousand Dollars (\$5,000.00). The premium for
22 such life insurance coverage shall be at a blended rate and shall be
23 set by the Board. The Board shall promulgate rules necessary for
24 the implementation of the provisions of this subsection.

1 D. An insured employee or former employee, spouse or dependent
2 who has life insurance coverage under this act (the "insured") or
3 their assigns, may irrevocably assign to one or more individuals,
4 business entities, trustees or other third parties any part or all
5 of the insured's (or subsequent assign's) incidents of ownership in
6 the life insurance coverage which is provided, continued or
7 purchased under this act. An insured who assigns ownership of such
8 life insurance coverage continues to be the insured individual, but
9 upon the assignment of the life insurance coverage, the assignee
10 thereafter owns the rights in the life insurance coverage assigned,
11 including the right to designate the beneficiary of the death
12 benefit payable upon the death of the insured, the right to make a
13 subsequent assignment and any right the employee or insured might
14 otherwise have had to increase the coverage under this act. If the
15 assignee elects to increase insurance coverage on an insured, the
16 increased coverage is considered included in the already existing
17 assignment. The Board shall promulgate rules necessary for the
18 implementation of the provisions of this subsection, including
19 establishing the procedures for making an assignment of the
20 insured's life insurance to a third party and the method for payment
21 of the premium on such assigned life insurance by the assignee after
22 the assignment.

23 SECTION 2. This act shall become effective July 1, 2012.

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1 SECTION 3. It being immediately necessary for the preservation
2 of the public peace, health and safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

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