

The House Committee on Insurance offers the following substitute to HB 1058:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 27 of Title 33 of the Official Code of Georgia Annotated, relating to
2 group life insurance, so as to authorize tax-exempt organizations to be beneficiaries of
3 employee group life insurance policies; to provide for related matters; to repeal conflicting
4 laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Chapter 27 of Title 33 of the Official Code of Georgia Annotated, relating to group life
8 insurance, is amended in Code Section 33-27-1, relating to group requirements generally, by
9 revising paragraph (1) as follows:

10 "(1) **Employee groups.** A policy issued to an employer or to the trustees of a fund
11 established by an employer, which employer or trustee shall be deemed the policyholder,
12 to insure employees of the employer for the benefit of persons other than the employer
13 unless the employer both qualifies as a tax-exempt organization under Section 501(c)(3)
14 of the Internal Revenue Code and is designated as a beneficiary under such policy in
15 writing by the insured employee, subject to the following requirements:

- 16 (A) The employees eligible for insurance under the policy shall be all of the employees
17 of the employer or all of any class or classes thereof determined by conditions
18 pertaining to their employment. The policy may provide that the term 'employees' shall
19 include the employees of one or more subsidiary corporations and the employees,
20 individual proprietors, and partners of one or more affiliated corporations, proprietors,
21 or partnerships, if the business of the employer and of such affiliated corporations,
22 proprietors, or partnerships is under common control through stock ownership or
23 contract or otherwise. The policy may provide that the term 'employees' shall include
24 the individual proprietor or partners if the employer is an individual proprietor or a
25 partnership. The policy may provide that the term 'employees' shall include retired
26 employees. No individual proprietor or partner shall be eligible for insurance under the
27 policy unless he or she is actively engaged in and devotes a substantial part of his or her
28 time to the conduct of the business of the proprietor or partnership. A policy issued to
29 insure the employees of a public body may provide that the term 'employees' shall
30 include elected or appointed officials;
- 31 (B) The premium for the policy shall be paid by the policyholder either from the
32 employer's own funds or from charges collected from the insured employee specifically
33 for such insurance or from funds contributed by both the employer and the employee.
34 A policy in which no part of the premium is to be derived from funds contributed by
35 the insured employee ~~must~~ shall insure each eligible employee, except for any
36 employee as to whom evidence of individual insurability is not satisfactory to the
37 insurer;
- 38 (C) The policy ~~must~~ shall cover at least two employees at date of issue; and
- 39 (D) The amounts of insurance under the policy ~~must~~ shall be based upon some plan
40 precluding individual selection either by the employees or by the employer or trustee."

41

SECTION 2.

42 All laws and parts of laws in conflict with this Act are repealed.