

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1069
SPONSOR(S): Negron
TIED BILLS:

Department of Military Affairs

IDEN./SIM. BILLS: SB 1592

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Military & Veteran Affairs Committee		Marino	Carter
2) Insurance Committee			
3) Transportation & Economic Development Appropriations Committee			
4) State Administration Council			
5) _____			

SUMMARY ANALYSIS

The Department of Military Affairs states there are currently 11,628 FNG members with 9,648 serving in the Florida Army National Guard and 1,980 serving in the Florida Air National Guard.

This bill amends **s. 250.01, F.S.**, by adding the definition of Servicemembers' Group Life Insurance (SGLI), which is the life insurance program offered by the Federal Government to every uniformed member of the United States Armed Forces, including the Florida Air National Guard and Florida Army National Guard.

This bill creates **s. 250.342, F.S.**, which directs the DMA to provide SGLI for every eligible member of the FNG or to provide another life insurance program determined by the Adjutant General of the Florida National Guard. This bill requires the DMA to be responsible for paying the life insurance premiums of the program offered to eligible National Guard members.

This bill requires the DMA to report the cost of the program based on the number of life insurance policies and the amount of premiums paid to the Governor, the President of the Senate, and the Speaker of the House.

The total cost to cover a full year of SGLI premiums for every member in the FNG may be projected at \$2,232,576.

This bill would take effect upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government: This bill requires the Florida Department of Military Affairs to provide a life insurance for every eligible member of the Florida National Guard.

Empower families: This bill increases the amount of disposable income available to families of members of the Florida National Guard by requiring the Department of Military Affairs to provide life insurance for those members and to cover the cost of the life insurance premiums.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

Servicemembers' Group Life Insurance

Servicemembers' Group Life Insurance (SGLI) is the basic form of life insurance available to members of the U.S. Armed Forces. Active duty, Reserve, and National Guard members of our armed forces each automatically receive, under current law, \$250,000 of life insurance coverage, which they pay for through payroll deductions. The cost to each servicemember is \$16 a month if they receive the maximum coverage of \$250,000; however, they may decide to opt out of the coverage or take a reduced amount of coverage.

Proposed legislation at the federal level would boost the maximum coverage allowable to \$400,000. The Pentagon would cover the premium for the additional \$150,000 coverage if the servicemember was deployed to a combat zone. In addition, the current survivor's death gratuity payment, paid to the family of a servicemember killed in war operations, is \$12,420, and proposed federal legislation would increase that to \$100,000.

Florida National Guard

Members of the Florida National Guard (FNG) are eligible for SGLI coverage. Like any other servicemember, they pay for their coverage through a payroll deduction, \$16 a month for the maximum \$250,000 of coverage, and are covered 24 hours a day for 365 days a year.

The Department of Military Affairs (DMA) states there are currently 11,628 FNG members with 9,648 serving in the Florida Army National Guard and 1,980 serving in the Florida Air National Guard. Of those, approximately 3,000 are deployed to a combat zone.

Life Insurance for National Guard in other states

New Mexico, Pennsylvania, Rhode Island, Alabama, and Iowa are states with Legislatures that are proposing legislation to provide life insurance for their National Guard members. The proposals range from providing the life insurance policy through the state to covering the premiums of the SGLI which is already offered to the servicemembers. The New Mexico proposal, which would cover the SGLI premium pay roll deductions of their National Guard members, is estimated to cost the state \$800,000. New Mexico currently has 400 National Guard members in Iraq, but the legislation would cover all National Guard members currently serving New Mexico, which are approximately 4,000.

Effect of Proposed Changes:

This bill amends **s. 250.01, F.S.**, by adding into statute the definition of Servicemembers' Group Life Insurance (SGLI), which is the life insurance program offered by the Federal Government to every uniformed member of the United States Armed Forces, including the Florida Air National Guard and Florida Army National Guard.

This bill creates **s. 250.342, F.S.**, which directs the DMA to provide SGLI for every eligible member of the FNG or to provide another life insurance program determined by the Adjutant General of the Florida National Guard.

Subject to a specific appropriation, the DMA is responsible for paying the life insurance premiums of the program offered to eligible National Guard members. The life insurance provided by this bill is supplemental to any other benefits provided to National Guard members.

Finally, the DMA is directed to report the cost of the program based on the number of life insurance policies and the amount of premiums paid to the Governor, the President of the Senate, and the Speaker of the House.

This bill would take effect upon becoming law.

C. SECTION DIRECTORY:

Section 1. Amends **s. 250.01, F.S.**, defining Servicemembers' Group Life Insurance.

Section 2. Creates **s. 250.342, F.S.**, requiring the DMA to provide SGLI for members of the FNG, subject to appropriation, and requiring the DMA to report the cost of the program to the Governor, the President of the Senate, and the Speaker of the House.

Section 3. Provides for act to take effect upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

There are no known or expected fiscal impacts on state government revenues.

2. Expenditures:

The total cost to cover a full year of SGLI premiums for every member in the FNG may be projected at \$2,232,576.

- **11,628:** Total number of members in the FNG, including the Florida Army National Guard and the Florida Air National Guard.
- **\$16:** Current cost of monthly premiums under SGLI program.
- **\$2,232,576:** Total 12 month cost to cover SGLI premiums for every member in the FNG.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

There are no known or expected fiscal impacts on local government revenues.

2. Expenditures:

There are no known or expected fiscal impacts on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Every member of the National Guard and their family will keep \$16 a month, at the current premium rate of SGLI, amounting to \$192 a year of more disposable income.

D. FISCAL COMMENTS:

This estimate assumes no increase in premium rates for the SGLI program over the next year.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

There do not appear to be any constitutional issues with this bill.

B. RULE-MAKING AUTHORITY:

There appear to be sufficient rules in Florida Statute to allow the DMA to administer the life insurance program required in this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

This bill does not mention with what frequency the DMA is to report the cost of the program to the Governor, the President of the Senate, and the Speaker of the House.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

Not Applicable.