

HB141 ENROLLED



1 80T42F-2
2 By Representative Ellis
3 RFD: Insurance
4 First Read: 21-Mar-23
5
6 2023 Regular Session



HB141 Enrolled

1 Enrolled, An Act,

2
3 Relating to disability insurance policies; to
4 authorize disability insurers to offer paid family leave
5 benefit policies.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Article 4, commencing with Section
8 27-19-150, is added to Chapter 19 of Title 27, Code of Alabama
9 1975, to read as follows:

10 §27-19-150

11 The purpose of this article is to authorize disability
12 insurers to expand their fully insured benefits to include
13 paid family leave benefits through employer-sponsored group
14 insurance policies or voluntarily purchased employee policies.

15 §27-19-151

16 This article shall be known and may be cited as the
17 "Paid Family Leave Income Replacement Benefits Act."

18 §27-19-152

19 For purposes of this article, the following terms have
20 the following meanings:

21 (1) CHILD. An individual who is:

22 a. Under 19 years of age.

23 b. 19 years of age or older and incapable of self-care
24 because of a mental or physical disability.

25 c. Either paragraph a. or b. and a biological, adopted,
26 or foster son or daughter; a stepson or stepdaughter; a legal
27 ward; or a son or daughter of an individual to whom the
28 employee stands in loco parentis.



HB141 Enrolled

29 (2) FAMILY LEAVE. Any leave taken by an employee from
30 work for reasons set forth in Section 27-19-153.

31 (3) FAMILY MEMBER. May include a child, spouse, or
32 parent or any other individual defined as a family member in
33 the insurance policy.

34 (4) HEALTH CARE PROVIDER. An individual licensed under
35 Title 34 to provide health care services.

36 (5) PARENT. A biological, foster, or adoptive parent, a
37 stepparent, a legal guardian, or other individual who stood in
38 loco parentis to the employee when the employee was a child.

39 (6) SERIOUS HEALTH CONDITITION. An illness, injury,
40 impairment, or physical or mental condition, including
41 transplantation preparation and recovery from surgery related
42 to organ or tissue donation, that involves inpatient care in a
43 hospital, hospice, or residential health care facility,
44 continuing treatment or continuing supervision by a health
45 care provider including a period of incapacity that is
46 permanent or long term due to a condition for which treatment
47 may not be effective and where the family member need not be
48 receiving active treatment by a health care provider.

49 §27-19-153

50 Family leave benefits may be provided for any leave
51 taken by an employee from work to do any of the following:

52 (1) Participate in providing care, including physical
53 or psychological care, for a family member of the employee
54 made necessary by a serious health condition of the family
55 member.

56 (2) Bond with the employee's child during the first



HB141 Enrolled

57 twelve months after the child's birth, or the first 12 months
58 after the placement of the child for adoption or foster care
59 with the employee.

60 (3) Address a qualifying exigency as interpreted under
61 the Family and Medical Leave Act, 29 U.S.C. § 2612(a)(1)(e)
62 and 29 C.F.R. § 825.126(a)(1)-(8), arising out of the fact
63 that the spouse, child, or parent of the employee is on active
64 duty, or has been notified of an impending call or order to
65 active duty, in the Armed Forces of the United States.

66 (4) Care for a family service member injured in the
67 line of duty.

68 (5) Take other leave to provide care for a family
69 member or other family leave as specified in the insurance
70 policy.

71 §27-19-154

72 The insurance policy shall set forth the details and
73 requirements with regard to each of the covered family leave
74 reasons.

75 §27-19-155

76 The insurance policy shall set forth the length of
77 family leave benefits that are available for each covered
78 family leave reason, which will in no event be less than two
79 weeks during a period of 52 consecutive calendar weeks.

80 Fifty-two consecutive calendar weeks may be calculated by any
81 of the following methods:

82 (1) A calendar year.

83 (2) Any fixed period starting on a particular date such
84 as the effective or anniversary date.



HB141 Enrolled

85 (3) The period measured forward from the employee's
86 first day of family leave.

87 (4) A rolling period measured by looking back from the
88 employee's first day of family leave.

89 (5) Any other method that is specified in the insurance
90 policy.

91 §27-19-156

92 The insurance policy shall set forth whether there is
93 an unpaid waiting period and, if so, the terms and conditions
94 of the unpaid waiting period, which may include, but are not
95 limited to, all of the following:

96 (1) Whether the waiting period runs over a consecutive
97 calendar day period.

98 (2) Whether the waiting period is counted toward the
99 annual allotment of family leave benefits or is in addition to
100 the annual allotment of family leave benefits.

101 (3) Whether the waiting period must be met only once
102 per benefit year or must be met for each separate claim for
103 benefits.

104 (4) Whether the employee may work or receive paid time
105 off or other compensation by the employer during the waiting
106 period.

107 §27-19-157

108 (a) The insurance policy shall set forth all of the
109 following:

110 (1) The amount of benefits that will be paid for
111 covered family leave reasons.

112 (2) The definition of the wages or other income upon



HB141 Enrolled

113 which the amount of family leave benefits will be based.

114 (3) How the wages or other income will be calculated.

115 (b) If the family leave benefits are subject to offsets
116 for wages or other income received or for which the insured
117 may be eligible, the policy shall set forth both of the
118 following:

119 (1) All the wages or other income that may be offset.

120 (2) The circumstances under which it may be offset.

121 §27-19-158

122 Eligibility for family leave benefits under this
123 article may be limited, excluded, or reduced, but any
124 limitations, exclusions, or reductions shall be set forth in
125 the insurance policy. Permissible limitations, exclusions, or
126 reductions may include, but are not limited to, any of the
127 following:

128 (1) Any period of family leave wherein the required
129 notice and medical certification as prescribed in the policy
130 have not been provided.

131 (2) Any family leave related to a serious health
132 condition or other harm to a family member brought about by
133 the willful intention of the employee.

134 (3) Any period of family leave during which the
135 employee performed work for remuneration or profit.

136 (4) Any period of family leave for which the employee
137 is eligible to receive from his or her employer or from a fund
138 to which the employer has contributed remuneration or
139 maintenance.

140 (5) Any period of family leave in which the employee is



HB141 Enrolled

141 eligible to receive benefits under any other statutory program
142 or employer-sponsored program, including, but not limited to,
143 unemployment insurance benefits, worker's compensation
144 benefits, statutory disability benefits, statutory paid leave
145 benefits, or any paid time off or employer's paid leave
146 policy.

147 (6) Any period of family leave commencing before the
148 employee becomes eligible for family leave benefits under the
149 policy.

150 (7) Any period of family leave where more than one
151 individual seeks family leave for the same family member.

152 §27-19-159

153 Family leave benefits provided under this article shall
154 be paid periodically and promptly as provided in Section
155 27-19-11 except as to a contested period of family leave and
156 subject to any of the provisions of Section 27-19-158.

157 §27-19-160

158 (a) Premiums for policies or riders providing paid
159 family leave benefits in accordance with state disability
160 income insurance law shall be calculated in accordance with
161 applicable provisions of state insurance law.

162 (b) Insurance policies issued pursuant to this article
163 may offer coverage for paid family leave benefits or may offer
164 paid family leave benefits as a rider to a disability
165 insurance policy.

166 Section 2. This act shall become effective on the first
167 day of the third month following its passage and approval by
168 the Governor, or its otherwise becoming law.



HB141 Enrolled

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 11-Apr-23.

John Treadwell
Clerk

Senate

27-Apr-23

Passed