



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

One Capitol Hill
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Office: (401) 222-6300
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State Fiscal Note for Bill Number:

2025-H 5053

Date of State Budget Office Approval: Wednesday, April 16, 2025

Date Requested: Tuesday, April 8, 2025

Date Due: Friday, April 18, 2025

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2025	N/A	FY 2025	N/A
FY 2026	\$83,700 (Max)	FY 2026	N/A
FY 2027	\$83,700 (Max)	FY 2027	N/A

Explanation by State Budget Office:

Pursuant to RIGL 30-3-40.4, after any member of the national guard who elects life insurance coverage issued by the federal government has been mobilized for more than thirty (30) days, the premiums incurred shall (upon application by the servicemember) be reimbursed "from the general fund". This act would raise the reimbursable amount of the monthly premium for the optional life insurance policy, Servicemember's Group Life Insurance (SGLI) from \$25.00 to \$31.00 under state law. This reflects the increase of the maximum life insurance coverage limit, which was \$400,000 until Congress increased it to \$500,000, effective March 1, 2023.

Summary of Facts and Assumptions:

The life insurance policy, Servicemember's Group Life Insurance (SGLI), is a congressionally authorized benefit that is administered by the Department of Veterans Affairs and underwritten by Prudential. The maximum coverage of this optional benefit was increased by Congress, which directly impacts the total monthly premium deducted from the servicemember's pay and the reimbursable amount they can apply for during deployment.

The Rhode Island National Guard will deploy an estimated 225 servicemembers in the current year. Should conditions remain the same and for simplicity, assuming that starting July 1, 2025 (FY 2026) the maximum amount of 225 servicemembers be deployed in any given month, and in the event that all 225 servicemembers elected SGLI at the maximum coverage of \$500,000 also requested reimbursement while they were mobilized. Based on these assumptions [225 servicemembers * \$31 monthly premium], the maximum monthly impact to general revenue after these members reached over 30 days of deployment would be \$6,975 per month. The typical length of a deployment is 12 months, which brings the estimated fiscal impact of life insurance premiums for the maximum number of servicemembers for the entire length of a deployment to \$83,700 per annum.

NOTE: According to the Executive Military Staff, most servicemembers are unaware of this benefit and therefore rarely apply for reimbursement under this statute. The last documented request for this benefit was in 2009, when the Military Staff reimbursed SGLI premiums from general revenue, in the amount of \$6,000.



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Comments on Sources of Funds:

The SGLI policy premium is a direct deduction from the servicemember's pay. In the event of deployment or mobilization for more than 30 days, the servicemember may apply for reimbursement of these deductions, in accordance with RIGL 30- 3-40.4. In this case, they shall be reimbursed with general revenue for the cost of premiums incurred by the member for said policy for any month or part thereof that the member has been mobilized. There are no non-state funds appropriated within the Military Staff's budget for this purpose, and presently no enacted general revenue resources.

Summary of Fiscal Impact:

FY 2025: N/A due to assumed timing of passage.

FY 2026 and FY 2027: Maximum fiscal impact to general revenue is \$83,700/year based on assumptions explained in the previous section.

Budget Office Signature: _____

Digitally signed by
Joseph Codega Jr.
Date: 2025.04.16
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Fiscal Advisor Signature: _____