



**House Education Committee Bill
Sponsor Statement
HB 196**

**“An Act Relating to Group Insurance Coverage & Self-Insurance Coverage
for School District Employees; and Providing for an Effective”**

The intent of HB 196 is to help Alaska’s public school districts contain costs of ever increasing health care and life insurance benefits for employees. All 53 school districts provide health insurance coverage for their certified and classified employees.

HB 196 brings school districts in both municipal and in Regional Education Attendance Areas (REAA’s) into one group insurance program managed by the State of Alaska. By joining a larger insurance pool, public schools will benefit in two important ways:

- 1) Cost savings of a ‘volume discount’ that comes with participation in a large pool; and
- 2) Cost savings obtained by joining an agency that exists explicitly to obtain the best possible benefits for its members at the lowest possible price.

In joining the insurance pool operated by the State of Alaska, local school districts would retain the right to negotiate the level of employer and employee contributions of health and life insurance premiums which will likely result in cost savings to both the employer and employee.

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