



AMENDMENT #5

OFFERED IN THE HOUSE
TO: CSHB 23(FIN)

BY REPRESENTATIVE EASTMAN

1 Page 1, line 2: *(title amendment)*

2 Following "of certain":

3 Insert "state employees,"

4 Following "officers":

5 Insert ","

6

7 Page 1, following line 4:

8 Insert new bill sections to read:

9 **** Section 1.** AS 37.05.146(c) is amended by adding a new paragraph to read:

10 (90) receipts of the peace officer and firefighter survivors' fund under
11 AS 39.60.

12 *** Sec. 2.** AS 39.30.090(a) is amended to read:

13 (a) The Department of Administration may obtain a policy or policies of group
14 insurance covering state employees, persons entitled to coverage under AS 14.25.168,
15 14.25.480, AS 22.25.090, AS 39.35.535, 39.35.880, or former AS 39.37.145,
16 employees of other participating governmental units, or persons entitled to coverage
17 under AS 23.15.136, subject to the following conditions:

18 (1) a group insurance policy shall provide one or more of the following
19 benefits: life insurance, accidental death and dismemberment insurance, weekly
20 indemnity insurance, hospital expense insurance, surgical expense insurance, dental
21 expense insurance, audiovisual insurance, or other medical care insurance;

22 (2) each eligible employee of the state, the spouse and the unmarried
23 children chiefly dependent on the eligible employee for support, [AND] each eligible

1 employee of another participating governmental unit, **and each person who is eligible**
2 **for coverage as the result of an election made under (13) of this subsection** shall
3 be covered by the group policy, unless exempt under regulations adopted by the
4 commissioner of administration;

5 (3) a governmental unit may participate under a group policy if

6 (A) its governing body adopts a resolution authorizing
7 participation and payment of required premiums;

8 (B) a certified copy of the resolution is filed with the
9 Department of Administration; and

10 (C) the commissioner of administration approves the
11 participation in writing;

12 (4) in procuring a policy of group health or group life insurance as
13 provided under this section or excess loss insurance as provided in AS 39.30.091, the
14 Department of Administration shall comply with the dual choice requirements of
15 AS 21.86.310, and shall obtain the insurance policy from an insurer authorized to
16 transact business in the state under AS 21.09, a hospital or medical service corporation
17 authorized to transact business in this state under AS 21.87, or a health maintenance
18 organization authorized to operate in this state under AS 21.86; an excess loss
19 insurance policy may be obtained from a life or health insurer authorized to transact
20 business in this state under AS 21.09 or from a hospital or medical service corporation
21 authorized to transact business in this state under AS 21.87;

22 (5) the Department of Administration shall make available bid
23 specifications for desired insurance benefits or for administration of benefit claims and
24 payments to (A) all insurance carriers authorized to transact business in this state
25 under AS 21.09 and all hospital or medical service corporations authorized to transact
26 business under AS 21.87 who are qualified to provide the desired benefits; and (B)
27 insurance carriers authorized to transact business in this state under AS 21.09, hospital
28 or medical service corporations authorized to transact business under AS 21.87, and
29 third-party administrators licensed to transact business in this state and qualified to
30 provide administrative services; the specifications shall be made available at least once
31 every five years; the lowest responsible bid submitted by an insurance carrier, hospital

1 or medical service corporation, or third-party administrator with adequate servicing
2 facilities shall govern selection of a carrier, hospital or medical service corporation, or
3 third-party administrator under this section or the selection of an insurance carrier or a
4 hospital or medical service corporation to provide excess loss insurance as provided in
5 AS 39.30.091;

6 (6) if the aggregate of dividends payable under the group insurance
7 policy exceeds the governmental unit's share of the premium, the excess shall be
8 applied by the governmental unit for the sole benefit of the employees;

9 (7) a person receiving benefits under AS 14.25.110, AS 22.25,
10 AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in
11 effect under this section at the time of termination of employment with the state or
12 participating governmental unit;

13 (8) a person electing to have insurance under (7) of this subsection
14 shall pay the cost of this insurance;

15 (9) for each permanent part-time employee electing coverage under
16 this section, the state shall contribute one-half the state contribution rate for permanent
17 full-time state employees, and the permanent part-time employee shall contribute the
18 other one-half;

19 (10) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
20 or former AS 39.37 may obtain auditory, visual, and dental insurance for that person
21 and eligible dependents under this section; the level of coverage for persons over 65
22 shall be the same as that available before reaching age 65 except that the benefits
23 payable shall be supplemental to any benefits provided under the federal old age,
24 survivors, and disability insurance program; a person electing to have insurance under
25 this paragraph shall pay the cost of the insurance; the commissioner of administration
26 shall adopt regulations implementing this paragraph;

27 (11) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
28 or former AS 39.37 may obtain long-term care insurance for that person and eligible
29 dependents under this section; a person who elects insurance under this paragraph
30 shall pay the cost of the insurance premium; the commissioner of administration shall
31 adopt regulations to implement this paragraph;

1 (12) each licensee holding a current operating agreement for a vending
2 facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy that
3 applies to governmental units other than the state;

4 (13) subject to (14) and (15) of this subsection, an employee of the
5 state who is covered by a policy of group medical insurance under this section,
6 AS 39.30.091, or 39.30.095 may elect coverage that extends the benefits provided
7 beyond the date of the employee's death to cover a surviving spouse or dependent
8 child of the employee who is eligible to receive a benefit under AS 39.35.530 or
9 39.35.892 and is not eligible for Medicare;

10 (14) an employee who elects extended coverage under (13) of this
11 subsection shall contribute monthly, by automatic payroll deduction, an amount
12 determined by the commissioner of administration under (15) of this subsection;

13 (15) the commissioner of administration shall determine the
14 amount of the employee contribution under (14) of this subsection based on the
15 increase in the premium costs payable by the state as a result of including in a
16 policy of group medical insurance under this section, AS 39.30.091, or 39.30.095,
17 the benefit for persons eligible for coverage as the result of an election made
18 under (13) of this subsection.

19 * Sec. 3. AS 39.30.095 is amended by adding a new subsection to read:

20 (g) Notwithstanding (b) and (e) of this section, for the cost of providing
21 benefits to an eligible surviving spouse or dependent child under AS 39.30.090(a)(13),
22 the commissioner of administration shall set the rate of employer contribution at 100
23 percent."
24

25 Page 1, line 5:

26 Delete "Section 1"

27 Insert "Sec. 4"

28
29 Renumber the following bill sections accordingly.
30

31 Page 1, line 6, following "of":

1 Insert "**Municipal**"

2

3 Page 1, line 7:

4 Delete "**Peace**"

5 Insert "**Municipal peace**"

6

7 Page 1, line 10:

8 Delete "**Peace**"

9 Insert "**Municipal peace**"

10

11 Page 1, line 13:

12 Following the first occurrence of "a":

13 Insert "municipal"

14 Following "firefighter":

15 Insert "who was employed by a municipality"

16

17 Page 2, line 2:

18 Delete "and other money"

19

20 Page 2, line 3:

21 Delete "The legislature may appropriate money to the fund."

22

23 Page 2, line 12:

24 Delete "The"

25 Insert "Subject to AS 39.60.050 - 39.60.070, the"

26

27 Page 2, lines 13 - 14:

28 Delete "medical insurance premiums for a surviving dependent of a state employee
29 who is eligible under AS 39.60.040,"

30

31 Page 2, lines 25 - 26:

1 Delete all material and insert:

2 "(1) at the time of death, the employee was not covered by a policy
3 obtained under AS 39.30.090 or 39.30.095 that provided major medical coverage, and
4 was a full-time employee of a municipality that has elected to participate under
5 AS 39.60.050;"

6

7 Page 3, following line 4:

8 Insert a new paragraph to read:

9 "(1) has received the premium payments for 10 years;"

10

11 Renumber the following paragraphs accordingly.

12

13 Page 3, following line 10:

14 Insert a new paragraph to read:

15 "(1) has received the premium payments for 10 years;"

16

17 Renumber the following paragraphs accordingly.

18

19 Page 3, line 14, following "(e)":

20 Insert "A municipality that has elected to participate under AS 39.60.050 shall pay 100
21 percent of the premium payable under this section."

22

23 Page 3, lines 16 - 26:

24 Delete "as follows:

25 (1) the commissioner shall pay

26 (A) 100 percent for an eligible surviving dependent of a
27 deceased state employee;

28 (B) 50 percent for an eligible surviving dependent of a
29 deceased employee of a small municipality;

30 (2) a large municipality shall pay 100 percent for an eligible surviving
31 dependent of a deceased employee of that municipality; and

1 (3) A small municipality shall pay 50 percent for an eligible surviving
2 dependent of a deceased employee of that small municipality"
3

4 Page 3, following line 26:

5 Insert new sections to read:

6 "Sec. 39.60.050. **Municipal election to participate in peace officer and**
7 **firefighter survivors' fund.** (a) A municipality may elect to participate in the fund by
8 entering into an agreement with the commissioner that is consistent with
9 AS 39.60.070. If a municipality elects to participate in the fund, the commissioner
10 shall determine the amount and frequency of the municipality's required contributions
11 to the fund based on the anticipated cost of the municipality's participation, including
12 the department's cost of administering the agreement under this subsection.

13 (b) The commissioner shall administer agreements entered into under (a) of
14 this section.

15 (c) A surviving dependent of a peace officer or firefighter who died while
16 employed by a municipality is not eligible for payments from the fund unless the
17 municipality elects to participate in the fund and is in compliance with an agreement
18 entered into under (a) of this section.

19 **Sec. 39.60.060. Eligibility of municipal peace officers and firefighters.** If a
20 municipality enters into an agreement under AS 39.60.050(a) and fails to meet a
21 requirement of that agreement, including a requirement under AS 39.60.070, the
22 commissioner may determine that a surviving dependent of a peace officer or
23 firefighter employed by a municipality who would otherwise be eligible for payments
24 from the fund under AS 39.60.040(b) is ineligible and deny payment from the fund
25 until the commissioner determines all requirements of the agreement are satisfied.

26 **Sec. 39.60.070. Terms of agreement by municipality to participate in fund.**
27 An agreement under AS 39.60.050(a) for a municipality to participate in the fund must
28 require that the municipality

29 (1) contribute to the fund as determined by the commissioner under
30 AS 39.60.050(a);

31 (2) is current with contributions required under this section; and

1 (3) complies with applicable regulations adopted by the
2 commissioner."
3

4 Page 4, line 27:

5 Delete "secs. 1 and 2"

6 Insert "secs. 4 and 5"

7

8 Page 4, line 28:

9 Delete "secs. 1 and 2"

10 Insert "secs. 4 and 5"

11

12 Page 4, line 30:

13 Delete "Section 3"

14 Insert "Section 6"

15

16 Page 4, line 31:

17 Delete "sec. 4"

18 Insert "sec. 7"