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1 IN THE HOUSE

HOUSE BILL NO. 589

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to participation in the state group
7 life and health insurance policies by residents; and
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 39.30.090 is amended to read:

11 Sec. 39.30.090. PROCUREMENT OF GROUP INSURANCE. The Department
12 of Administration may obtain a policy or policies of group insurance
13 covering state employees, persons entitled to coverage under AS 14.-
14 25.168, AS 22.25.090, AS 39.35.535 or former AS 39.37.145, [OR] em-
15 ployees of other participating governmental units, or eligible resi-
16 dents, subject to the following conditions:

17 (1) A group insurance policy shall provide one or more of
18 the following benefits: life insurance, accidental death and dismem-
19 berment insurance, weekly indemnity insurance, hospital expense insur-
20 ance, surgical expense insurance, dental expense insurance, audio-
21 visual insurance, or other medical care insurance.

22 (2) Each eligible employee of the state, the spouse and the
23 unmarried children chiefly dependent on the eligible employee for
24 support, and each eligible employee of another participating govern-
25 mental unit shall be covered by the group policy, unless exempt under
26 regulations adopted by the commissioner of administration.

27 (3) A governmental unit may participate under a group
28 policy if

29 (A) its governing body adopts a resolution authorizing

1 participation, and payment of required premiums;

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

4 (C) the commissioner of administration approves the
5 participation in writing.

6 (4) The Department of Administration shall obtain the
7 insurance policy from an [ANY] insurer authorized to transact business
8 in the state under AS 21.09 and AS 21.90.

9 (5) The Department of Administration shall make available
10 bid specifications for desired insurance benefits to all insurance
11 carriers licensed in the state and qualified to provide the desired
12 benefits. The specifications shall be made available on or before
13 July 1, 1965, and at least once every succeeding five years. The
14 lowest responsible bid submitted by an insurance carrier with adequate
15 servicing facilities shall govern selection of a carrier under this
16 section.

17 (6) If the aggregate of dividends payable under the group
18 insurance policy exceeds the governmental unit's share of the premium,
19 the excess shall be applied by the governmental unit for the sole
20 benefit of the employees.

21 (7) A person receiving benefits under AS 14.25.110,
22 AS 22.25, AS 39.35, or former AS 39.37 may continue the life insurance
23 coverage that was in effect under this section at the time of termina-
24 tion of employment with the state or participating governmental unit.

25 (8) A person electing to have insurance under (7) of this
26 section shall pay the cost of this insurance.

27 (9) For each permanent part-time employee electing coverage
28 under this section, the state shall contribute one-half the state
29 contribution rate for permanent full-time state employees, and the

1 permanent part-time employee shall contribute the other one-half.
2 (10) A person receiving benefits under AS 14.25, AS 22.25,
3 AS 39.35, or former AS 39.37 may obtain auditory, visual, and dental
4 insurance for that person and eligible dependents under this section.
5 The level of coverage for persons over 65 shall be the same as that
6 available before reaching age 65 except that the benefits payable
7 shall be supplemental to any benefits provided under the federal old
8 age, survivors, and disability insurance program. A person electing
9 to have insurance under this paragraph shall pay the cost of the
10 insurance. The commissioner of administration shall adopt regulations
11 implementing this paragraph.

12 (11) An eligible resident may participate if the resident
13 applies on forms provided by the department, pays the cost of the
14 insurance and the administrative fee set by the department, and the
15 commissioner of administration approves the application in writing.

16 * Sec. 2. AS 39.30.095(a) is amended to read:

17 (a) The commissioner of administration shall establish the group
18 health and life benefits fund as a special account in the general fund
19 to provide for group life and health insurance under AS 39.30.090 and
20 39.30.160. The commissioner shall maintain accounts and records for
21 the fund. The fund consists of employer contributions, employee
22 contributions, resident contributions, appropriations from the legis-
23 lature, and interest earned on investment of the fund as provided in
24 (d) of this section.

25 * Sec. 3. AS 23.30.095(b) is amended to read:

26 (b) After obtaining the advice of an actuary, the commissioner
27 of administration shall determine the amount necessary to provide
28 benefits under AS 39.30.090 and 39.30.160 and shall set the rate of
29 employer contribution, resident contribution, and employee contri-

1 bution, if any. The commissioner of administration shall pay premiums
2 and claims in accordance with the insurance policies in effect under
3 AS 39.30.090 and 39.30.160 with money in the fund.

4 * Sec. 4. AS 39.30.100 is amended by adding a new paragraph to read:

5 (4) "eligible resident" means a person who is a resident
6 and who has been a resident, except for absences from the state for
7 military service or necessary medical care, for the 12 consecutive
8 months immediately preceding the date of application.

9 * Sec. 5. By January 1, 1987, the commissioner of administration shall
10 secure a group health and life policy or policies to provide coverage for
11 persons who will become eligible for coverage under amendments made by this
12 Act.

13 * Sec. 6. Sections 1 - 4 of this Act take effect on the date that the
14 commissioner of administration has secured coverage under sec. 5 of this
15 Act.

16 * Sec. 7. Section 5 of this Act takes effect immediately in accordance
17 with AS 01.10.070(c).