

1 IN THE HOUSE

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2

HOUSE BILL NO. 411

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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

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

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

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

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

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

28 (A) its governing body adopts a resolution authorizing
29 participation, and payment of required premiums;

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

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

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

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

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

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

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

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

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

11 (11) A person receiving benefits under AS 14.25, AS 22.25,
12 AS 39.35, or former AS 39.37 may obtain long-term care insurance for
13 that person and eligible dependents under this section. A person who
14 elects insurance under this paragraph shall pay the cost of the insur-
15 ance premium. The commissioner of administration shall adopt regu-
16 lations to implement this paragraph.

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

21 * Sec. 2. AS 39.30.090(b) is amended by adding a new paragraph to read:

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

26 * Sec. 3. AS 39.30.095(a) is amended to read:

27 (a) The commissioner of administration shall establish the group
28 health and life benefits fund as a special account in the general fund
29 to provide for group life and health insurance under AS 39.30.090 and

1 39.30.160. The commissioner shall maintain accounts and records for
2 the fund. The fund consists of employer contributions, employee
3 contributions, resident contributions, appropriations from the legis-
4 lature, and interest earned on investment of the fund as provided in
5 (d) of this section.

6 * Sec. 4. AS 39.30.095(b) is amended to read:

7 (b) After obtaining the advice of an actuary, the commissioner
8 of administration shall determine the amount necessary to provide
9 benefits under AS 39.30.090 and 39.30.160 and shall set the rate of
10 employer contribution, resident contribution, and employee contribu-
11 tion, if any. The commissioner of administration shall pay premiums
12 and claims in accordance with the insurance policies in effect under
13 AS 39.30.090 and 39.30.160 with money in the fund.

14 * Sec. 5. By January 1, 1989, the commissioner of administration shall
15 secure a group health and life policy or policies of insurance to provide
16 coverage for persons who will become eligible for coverage under amendments
17 made by this Act.

18 * Sec. 6. Sections 1 - 4 of this Act take effect on the date that the
19 commissioner of administration has secured coverage under sec. 5 of this
20 Act. The commissioner shall promptly certify that date to the lieutenant
21 governor and the revisor of statutes.

22 * Sec. 7. Section 5 of this Act takes effect immediately under AS 01.-
23 10.070(c).