

CS FOR HOUSE BILL NO. 348 (STATE AFFAIRS)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/25/92  
Referred: Judiciary

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the provision of group life or group health insurance for state  
2 employees by means of self-insurance; relating to the administrative costs of providing  
3 group health or group life insurance for state employees; and permitting the state to  
4 purchase group health or group life insurance from certain organizations."

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

6 \* Section 1. AS 39.30.090(a)(4) is amended to read:

7                   (4) In procuring a policy of group health or group life insurance as provided  
8 under this section or excess loss insurance as provided in AS 39.30.091, the [THE]  
9 Department of Administration shall comply with the dual choice requirements of AS 21.86.310,  
10 and shall obtain the insurance policy from an [ANY] insurer authorized to transact business in  
11 the state under AS 21.09, a hospital or medical service corporation authorized to transact  
12 business in this state under AS 21.87 [AND AS 21.90], or [FROM] a health maintenance  
13 organization authorized to operate in this state under AS 21.86. An excess loss insurance policy  
14 may be obtained from a life or disability insurer authorized to transact business in this state

1       under AS 21.09.

2       \* Sec. 2. AS 39.30.090(a)(5) is amended to read:

3                   (5) The Department of Administration shall make available bid specifications for  
4       desired insurance benefits or for administration of benefit claims and payments to (A) all  
5       insurance carriers authorized to transact business [LICENSED] in this [THE] state under  
6       AS 21.09 and all hospital or medical service corporations authorized to transact business  
7       under AS 21.87 who are [AND] qualified to provide the desired benefits; and (B) to insurance  
8       carriers, hospital or medical service corporations, and third-party administrators licensed  
9       to transact business in this state and qualified to provide administrative services. The  
10      specifications shall be made available [ON OR BEFORE JULY 1, 1965, AND] at least once  
11      every [SUCCEEDING] five years. The lowest responsible bid submitted by an insurance carrier,  
12      hospital or medical service corporation, or third-party administrator with adequate servicing  
13      facilities shall govern selection of a carrier, hospital or medical service corporation, or third-  
14      party administrator under this section or the selection of an insurance carrier to provide  
15      excess loss insurance as provided in AS 39.30.091.

16      \* Sec. 3. AS 39.30 is amended by adding a new section to read:

17                   Sec. 39.30.091. AUTHORIZATION FOR SELF-INSURANCE. Notwithstanding  
18      AS 21.86.310 or AS 39.30.090, the Department of Administration may provide, by means of self-  
19      insurance, one or more of the benefits listed in AS 39.30.090(a)(1) for state employees eligible  
20      for the benefits by law or under a collective bargaining agreement. The department shall procure  
21      any necessary excess loss insurance under AS 39.30.090.

22      \* Sec. 4. AS 39.30.095(a) is amended to read:

23                   (a) The commissioner of administration shall establish the group health and life benefits  
24      fund as a special account in the general fund to provide for group life and health insurance under  
25      AS 39.30.090 and 39.30.160 or for self-insurance arrangements under AS 39.30.091. The  
26      commissioner shall maintain accounts and records for the fund. The fund consists of employer  
27      contributions, employee contributions, appropriations from the legislature, and income earned on  
28      investment of the fund as provided in (d) of this section.

29      \* Sec. 5. AS 39.30.095(b) is amended to read:

30                   (b) After obtaining the advice of an actuary, the commissioner of administration shall  
31      determine the amount necessary to provide benefits under AS 39.30.090, 39.30.091, and

1 39.30.160 and shall set the rate of employer contribution and employee contribution, if any.  
2 With money in the fund, the [THE] commissioner of administration shall pay premiums, [AND]  
3 claims, and administrative costs required under [IN ACCORDANCE WITH] the insurance  
4 policies in effect under AS 39.30.090 and 39.30.160, or required under self-insurance  
5 arrangements in effect under AS 39.30.091 [WITH MONEY IN THE FUND].

6 \* Sec. 6. AS 39.30.095(c) is amended to read:

7 (c) The commissioner of administration or the designee of the commissioner is  
8 administrator of the fund. The commissioner may contract with

9 (1) an insurer authorized to transact business in this state under AS 21.09,  
10 or a hospital or medical service corporation authorized to transact business in this state  
11 under AS 21.87 [INSURANCE CARRIER] to reimburse the state for the cost of administering  
12 group insurance provided under AS 39.30.090 and 39.30.160; and

13 (2) a life or disability insurer authorized to transact business in the state  
14 under AS 21.09, a hospital or medical service corporation authorized to transact business  
15 in this state under AS 21.87, or a third-party administrator licensed to transact business in  
16 this state for the administration of benefit claims and payments under AS 39.30.091.

17 \* Sec. 7. AS 39.30.095(d) is amended to read:

18 (d) If the commissioner of administration determines that there is more money in the  
19 fund than the amount needed to pay premiums, [OR] benefits, and administrative costs for the  
20 current fiscal year, the surplus, or so much of it as the commissioner of administration considers  
21 advisable, may be invested by the commissioner of revenue in the same manner as retirement  
22 funds are invested under AS 14.25.180.