

SENATE BILL NO. 308

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 5/19/91
Referred: L&C, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the provision of group life and health insurance for state employees
2 by means of self-insurance; and to payment of administrative costs of providing group
3 health and life insurance for state employees."

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

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

6 (4) In procuring a policy of insurance under this section or excess loss
7 insurance as provided in AS 39.30.091, the [THE] Department of Administration shall comply
8 with the dual choice requirements of AS 21.86.310, and shall obtain the insurance policy from
9 any insurer authorized to transact business in the state under AS 21.09 and AS 21.90, or from
10 a health maintenance organization authorized to operate in this state under AS 21.86.

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

12 (5) The Department of Administration shall make available bid specifications for
13 desired insurance benefits to all insurance carriers licensed in the state and qualified to provide
14 the desired benefits. The specifications shall be made available on or before July 1, 1965, and

1 at least once every succeeding five years. The lowest responsible bid submitted by an insurance
2 carrier with adequate servicing facilities shall govern selection of a carrier under this section, or
3 the selection of a carrier of excess loss insurance as provided in AS 39.30.091.

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

5 Sec. 39.30.091. AUTHORIZATION FOR SELF-INSURANCE. Notwithstanding AS
6 39.30.090, the Department of Administration may provide, by means of self-insurance, one or
7 more of the benefits listed in AS 39.30.090(a)(1) for state employees eligible for such benefits
8 by law or under a collective bargaining agreement. Any excess loss insurance purchased in
9 conjunction with the self-insurance must be procured in accordance with AS 39.30.090.

10 * Sec. 4. AS 39.30.095 is amended to read:

11 Sec. 39.30.095. GROUP HEALTH AND LIFE BENEFITS FUND. (a) The
12 commissioner of administration shall establish the group health and life benefits fund as a special
13 account in the general fund to provide for group life and health insurance under AS 39.30.090
14 and 39.30.160 or for self-insurance arrangements under AS 39.30.091. The commissioner
15 shall maintain accounts and records for the fund. The fund consists of employer contributions,
16 employee contributions, appropriations from the legislature, and income earned on investment of
17 the fund as provided in (d) of this section.

18 (b) After obtaining the advice of an actuary, the commissioner of administration shall
19 determine the amount necessary to provide benefits under AS 39.30.090, 39.30.091, and
20 39.30.160 and shall set the rate of employer contribution and employee contribution, if any.
21 With money in the fund, the [THE] commissioner of administration shall pay premiums, [AND]
22 claims, and administrative costs in accordance with the insurance policies in effect under AS
23 39.30.090 and 39.30.160, or in accordance with self-insurance arrangements in effect under
24 AS 39.30.091 [WITH MONEY IN THE FUND].

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

27 (1) an insurance carrier to reimburse the state for the cost of administering group
28 insurance provided under AS 39.30.090 and 39.30.160; and

29 (2) a third-party administrator for the administration of benefit claims and
30 payments under AS 39.30.091.

31 (d) If the commissioner of administration determines that there is more money in the

1 fund than the amount needed to pay premiums, [OR] benefits, and administrative costs for the
2 current fiscal year, the surplus, or so much of it as the commissioner of administration considers
3 advisable, may be invested by the commissioner of revenue in the same manner as retirement
4 funds are invested under AS 14.25.180.

5 (e) In this section, "fund" means the group health and life benefits fund.