WEST VIRGINIA LEGISLATURE
SECOND EXTRAORDINARY SESSION, 1974

ENROLLED
Committee Substitute for
SENATE BILL NO. 36

(By Mr. Hubbard)

PASSED July 3, 1974
In Effect July 1, 1974

FILED IN THE OFFICE
EDGAR F. NEISKELL III
SECRETARY OF STATE
THIS DATE 7/8/74
AN ACT to amend and reenact sections nine and thirteen, article sixteen, chapter five of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to public employees insurance; providing ten thousand dollars life and accidental death insurance for every employee, and providing the percentage of the cost of the employees' total insurance package which shall be paid as the state's contribution for employees of the state and county boards of education.

Be it enacted by the Legislature of West Virginia:

That sections nine and thirteen, article sixteen, chapter five of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, all to read as follows:

ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.

§5-16-9. Authorization to execute contracts for group hospital and surgical insurance, group major medical insurance, and group life and accidental death insurance; limitations; awarding of contracts; reinsurance; certificates for covered employees; discontinuance of contracts.

1 The board is hereby given exclusive authorization to 2 execute such contract or contracts as are necessary to
carry out the provisions of this article and to provide the
plan or plans of group hospital and surgical insurance
coverage, group major medical insurance coverage, and
group life and accidental death insurance coverage select-
ed in accordance with the provisions of this article, such
contract or contracts to be executed with one or more
agencies, corporations, insurance companies or service
organizations licensed to sell group hospital and surgical
insurance, group major medical insurance, and group
life and accidental death insurance in this state.

The group life and accidental death insurance herein
provided for shall be in the amount of ten thousand dol-
ars for every employee. The amount of the group life
and accidental death insurance to which an employee
would otherwise be entitled shall be reduced to five thou-
sand dollars upon such employee attaining age sixty-five.

All of the insurance coverage to be provided for under
this article may be included in one or more similar con-
tracts issued by the same or different carriers.

The provisions of article three, chapter five-a of this
code, relating to the division of purchases of the depart-
ment of finance and administration, shall not apply to
any contracts for any insurance coverage authorized to
be executed under the provisions of this article; however,
before entering into any contract for any insurance cover-
age, as herein authorized, said board shall invite compe-
tent bids from all qualified and licensed insurance com-
panies or carriers, who may wish to offer plans for the
insurance coverage desired. The board shall deal directly
with insurers in presenting specifications and receiving
quotations for bid purposes. No commission or finder's
fee, or any combination thereof, shall be paid to any indi-
vidual or agent; but this shall not preclude an under-
writing insurance company or companies, at their own
expense, from appointing a licensed resident agent, within
this state, to service the companies' contracts awarded
under the provisions of this article. Commissions reason-
ably related to actual service rendered for such agent or
agents may be paid by the underwriting company or
companies: Provided, That in no event shall payment
be made to any agent or agents when no actual services
are rendered or performed. The board shall award such
contract or contracts on a competitive basis. In awarding
the contract or contracts the board shall take into account
the experience of the offering agency, corporation, insur-
ance company or service organization in the group hos-
pital and surgical insurance field, group major medical
insurance field, and group life and accidental death in-
surance field, and its facilities for the handling of claims.
In evaluating these factors, the board may employ the
services of impartial, professional insurance analysts or
actuaries or both. Any contract executed by the board
with a selected carrier shall be a contract to govern all
eligible employees subject to the provisions of this article.
Nothing contained in this article shall prohibit any in-
surance carrier from soliciting employees covered here-
der to purchase additional hospital and surgical, major
medical or life and accidental death insurance coverage.
The board may authorize the carrier with whom a
primary contract is executed to reinsure portions of such
contract with other carriers which elect to be a reinsurer:
and who are legally qualified to enter into a reinsurance
agreement under the laws of this state.
Each employee who is covered under any such contract
or contracts shall receive a certificate setting forth a fee
schedule of the hospital, surgical or medical benefits to
which such employee, his spouse and his dependents are
entitled hereunder, to whom such benefits shall be pay-
able, to whom claims shall be submitted, and a summary
of the provisions of any such contract or contracts as they
affect the employee, his spouse and his dependents.
The board may at the end of any contract period dis-
continue any contract or contracts it has executed with
any carrier and replace the same with a contract or con-
tracts with any other carrier or carriers meeting the
requirements of this article.
§5-16-13. Payment of costs by employer; schedule of insur-
ance; special funds created; duties of treasurer
with respect thereto.
The Legislature shall appropriate annually from the
general revenue fund such sums as may be required to
pay the state's share of the premium costs of those
spending units operating from the general revenue fund,
and each spending unit operating from special revenue
funds, or federal funds, or both, shall pay to the board
their share of premium costs from their personal ser-
vices budget. All other employers not operating from
the state general revenue fund shall pay to the board
their share of premium costs from their respective
budgets. The state's contribution for employees of the
state of West Virginia, its boards, agencies, commissions,
departments, institutions, or spending units and county
boards of education, shall be, effective July one, one thou-
sand nine hundred seventy-four, all of that portion of the
total costs of premiums for each employees' complete
insurance and medical benefits package as follows:

(a) For each employee who has elected to partici-
pate in the plan prior to July one, one thousand nine
hundred seventy-four, and is currently employed on and
after July one, one thousand nine hundred seventy-four,
as an employee of an employer as hereinabove specified,
the state's contribution shall be one hundred percent of
the total costs of premiums;

(b) For all other employees of employers as herein-
above specified, who elect to participate in the plan on
and after July one, one thousand nine hundred seventy-
four, the state's contribution shall be seventy percent
of the total costs of premiums for a period of one year
from the date of such election and shall be one hundred
percent of the total costs of premiums for all periods
thereafter.

The contribution of other employers (namely: A
county, city or town in the state; any separate corpora-
tion or instrumentality established by one or more coun-
ties, cities or towns, as permitted by law; any corpora-
tion or instrumentality supported in most part by coun-
ties, cities or towns; any public corporation charged by
law with the performance of a governmental function
and whose jurisdiction is coextensive with one or more
counties, cities or towns; any organization or agency
established by, or approved by the department of mental
health for the provision of community health or mental
retardation services, and which is supported in part by
state, county or municipal funds; and a combined city-
county health department created pursuant to article
two, chapter sixteen of the code) shall be such per-
centage of the cost of the employees' insurance package
as the employers deem reasonable and proper under
their own particular circumstances.

The employee's proportionate share of the premium or
cost shall be withheld or deducted by the employer from
such employee's salary or wages as and when paid and
such sums shall be forwarded to the board with such
supporting data as the board may require.

All moneys received by the board shall be deposited
in a special fund or funds as are necessary in the state
treasury and the treasurer of the state shall be custodian
of such fund or funds and shall administer such fund
or funds in accordance with the provisions of this article
or as the board may from time to time direct. The treas-
urer shall pay all warrants issued by the state auditor
against such fund or funds as the board may direct in ac-
cordance with the provisions of this article.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect July 1, 1974.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 15th day of July, 1974.

Governor
PRESENTED TO THE
GOVERNOR

Date  7/11/74
Time  12:25 p.m.