

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. HEISKELL III
SECRETARY OF STATE
THIS DATE 7/18/74

36

ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 36

(By MR. HUBBARD, *original sponsor*)

[Passed July 3, 1974; in effect July 1, 1974.]

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

3 carry out the provisions of this article and to provide the
4 plan or plans of group hospital and surgical insurance
5 coverage, group major medical insurance coverage, and
6 group life and accidental death insurance coverage select-
7 ed in accordance with the provisions of this article, such
8 contract or contracts to be executed with one or more
9 agencies, corporations, insurance companies or service
10 organizations licensed to sell group hospital and surgical
11 insurance, group major medical insurance, and group
12 life and accidental death insurance in this state.

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

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

22 The provisions of article three, chapter five-a of this
23 code, relating to the division of purchases of the depart-
24 ment of finance and administration, shall not apply to
25 any contracts for any insurance coverage authorized to
26 be executed under the provisions of this article; however,
27 before entering into any contract for any insurance cover-
28 age, as herein authorized, said board shall invite compe-
29 tent bids from all qualified and licensed insurance com-
30 panies or carriers, who may wish to offer plans for the
31 insurance coverage desired. The board shall deal directly
32 with insurers in presenting specifications and receiving
33 quotations for bid purposes. No commission or finder's
34 fee, or any combination thereof, shall be paid to any indi-
35 vidual or agent; but this shall not preclude an under-
36 writing insurance company or companies, at their own
37 expense, from appointing a licensed resident agent, within
38 this state, to service the companies' contracts awarded
39 under the provisions of this article. Commissions reason-
40 ably related to actual service rendered for such agent or
41 agents may be paid by the underwriting company or
42 companies: *Provided*, That in no event shall payment
43 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, insurance company or service organization in the group hospital and surgical insurance field, group major medical insurance field, and group life and accidental death insurance 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 insurance carrier from soliciting employees covered hereunder 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 payable, 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 discontinue any contract or contracts it has executed with any carrier and replace the same with a contract or contracts with any other carrier or carriers meeting the requirements of this article.

§5-16-13. Payment of costs by employer; schedule of insurance; special funds created; duties of treasurer with respect thereto.

1 The Legislature shall appropriate annually from the
2 general revenue fund such sums as may be required to

3 pay the state's share of the premium costs of those
4 spending units operating from the general revenue fund,
5 and each spending unit operating from special revenue
6 funds, or federal funds, or both, shall pay to the board
7 their share of premium costs from their personal ser-
8 vices budget. All other employers not operating from
9 the state general revenue fund shall pay to the board
10 their share of premium costs from their respective
11 budgets. The state's contribution for employees of the
12 state of West Virginia, its boards, agencies, commissions,
13 departments, institutions, or spending units and county
14 boards of education, shall be, effective July one, one thou-
15 sand nine hundred seventy-four, all or that portion of the
16 total costs of premiums for each employees' complete
17 insurance and medical benefits package as follows:

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

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

33 The contribution of other employers (namely: A
34 county, city or town in the state; any separate corpora-
35 tion or instrumentality established by one or more coun-
36 ties, cities or towns, as permitted by law; any corpora-
37 tion or instrumentality supported in most part by coun-
38 ties, cities or towns; any public corporation charged by
39 law with the performance of a governmental function
40 and whose jurisdiction is coextensive with one or more
41 counties, cities or towns; any organization or agency
42 established by, or approved by the department of mental

43 health for the provision of community health or mental
44 retardation services, and which is supported in part by
45 state, county or municipal funds; and a combined city-
46 county health department created pursuant to article
47 two, chapter sixteen of the code) shall be such per-
48 centage of the cost of the employees' insurance package
49 as the employers deem reasonable and proper under
50 their own particular circumstances.

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

56 All moneys received by the board shall be deposited
57 in a special fund or funds as are necessary in the state
58 treasury and the treasurer of the state shall be custodian
59 of such fund or funds and shall administer such fund
60 or funds in accordance with the provisions of this article
61 or as the board may from time to time direct. The treas-
62 urer shall pay all warrants issued by the state auditor
63 against such fund or funds as the board may direct in ac-
64 cordance with the provisions of this article.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

W. Harrel Harby
Chairman Senate Committee

Clarence C. Christen, Jr.
Chairman House Committee

Originated in the Senate.

In effect July 1, 1974.

Howar Roberson
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

President of the Senate

Levin H. H. Munn
Speaker House of Delegates

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

_____, 1974.
Arch A. Shaver, Jr.
 Governor



PRESENTED TO THE
GOVERNOR

Date 7/11/14

Time 12:25 p.m.