WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Enrolled
Committee Substitute
for

Senate Bill 517

BY SENATORS GAUNCH AND TRUMP, original sponsors

[Passed March 11, 2016; in effect 90 days from passage]
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[Passed March 11, 2016; in effect 90 days from passage]
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1 AN ACT to amend and reenact §5-16-22 of the Code of West Virginia, 1931, as amended, relating
to Public Employees Insurance Agency; clarifying that plans established and administered
by Public Employees Insurance Agency are exempt from regulation by Insurance
Commissioner unless specifically stated otherwise; and providing that Public Employees
Insurance Agency is not an insurer or in the business of insurance.

Be it enacted by the Legislature of West Virginia:

1 That §5-16-22 of the Code of West Virginia, 1931, as amended, be amended and
reenacted to read as follows:

ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.

§5-16-22. Permissive participation; exemptions.

The provisions of this article are not mandatory upon any employee or employer who is
not an employee of, or is not, the State of West Virginia, its boards, agencies, commissions,
departments, institutions or spending units or a county board of education and nothing contained
in this article compels any employee or employer to enroll in or subscribe to any insurance plan
authorized by the provisions of this article.

Those employees enrolled in the insurance program authorized under the provisions of
article two-b, chapter twenty-one-a of this code are not required to enroll in or subscribe to an
insurance plan or plans authorized by the provisions of this article, and the employees of any
department which has an existing insurance program for its employees to which the government
of the United States contributes any part or all of the premium or cost of the premium may be
exempted from the provisions of this article. Any employee or employer exempted under the
provisions of this paragraph may enroll in any insurance program authorized by the provisions of
this article at any time, to the same extent as any other qualified employee or employer, but
employee or employer may not remain enrolled in both programs.

Any plan established or administered by the Public Employees Insurance Agency
pursuant to this article is exempt from the provisions of chapter thirty-three of this code unless
explicitly stated. Notwithstanding any provision of this code to the contrary, the Public Employees Insurance Agency is not an insurer or engaged in the business of insurance as defined in chapter thirty-three of this code.

Employers, other than the State of West Virginia, its boards, agencies, commissions, departments, institutions, spending units or a county board of education, are exempt from participating in the insurance program provided for by the provisions of this article unless participation by the employer has been approved by a majority vote of the employer’s governing body. It is the duty of the clerk or secretary of the governing body of an employer who by majority vote becomes a participant in the insurance program to notify the director not later than ten days after the vote.

Any employer, whether the employer participates in the Public Employees Insurance Agency insurance program as a group or not, which has retired employees, their dependents or surviving dependents of deceased retired employees who participate in the Public Employees Insurance Agency insurance program as authorized by this article, shall pay to the agency the same contribution toward the cost of coverage for its retired employees, their dependents or surviving dependents of deceased retired employees as the State of West Virginia, its boards, agencies, commissions, departments, institutions, spending units or a county board of education pay for their retired employees, their dependents and surviving dependents of deceased retired employees, as determined by the finance board: Provided, That after June 30, 1996, an employer not mandated to participate in the plan is only required to pay a contribution toward the cost of coverage for its retired employees, their dependents or the surviving dependents of deceased retired employees who elect coverage when the retired employee participated in the plan as an active employee of the employer for at least five years: Provided, however, That those retired employees of an employer not participating in the plan who retire on or after July 1, 2010, who have participated in the plan as active employees of the employer for less than five years are responsible for the entire premium cost for coverage and the Public Employees Insurance Agency
shall bill for and collect the entire premium from the retired employees, unless the employer elects to pay the employer share of the premium. Each employer is hereby authorized and required to budget for and make such payments as are required by this section.
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 90 days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within ................... approved........... this the...... 23rd ..................................

Day of .........................., 2016.

Governor
PRESENTED TO THE GOVERNOR

MAR 23 2016

Time: 10:58 am