

By: Senator(s) Rayborn

To: Insurance;
Appropriations

SENATE BILL NO. 2965

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE THE STATE TO PAY THE FULL COST OF HEALTH INSURANCE FOR
3 ANY RETIRED STATE EMPLOYEE UNDER THE STATE EMPLOYEES' HEALTH
4 INSURANCE PLAN; AND FOR RELATED PURPOSES. BE IT ENACTED BY THE
5 LEGISLATURE OF THE STATE OF MISSISSIPPI:
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7 SECTION 1. Section 25-15-15, Mississippi Code of 1972, is
8 amended as follows:

9 25-15-15. The Department of Finance and Administration is
10 directed to study the feasibility of lowering the deductible
11 amounts for claims upon the above health insurance plan for each
12 active full-time employee and participating dependent, and shall
13 make a report to the Legislature and the Governor on or before
14 December 1, 1993. The state shall provide fifty percent (50%) of
15 the cost of the above life insurance plan and one hundred percent
16 (100%) of the cost of the above health insurance plan for all
17 active full-time employees, and the employees shall be given the
18 opportunity to purchase coverage for their eligible dependents
19 with the premiums for such dependent coverage as well as the
20 employee's fifty percent (50%) share for his life insurance
21 coverage to be deductible from the employee's salary by the
22 agency, department or institution head, which deductions, together
23 with the fifty percent (50%) share of such life insurance premiums
24 of such employing agency, department or institution head from
25 funds appropriated to or authorized to be expended by such
26 employing agency, department or institution head, shall be
27 deposited directly into a depository bank or special fund in the
28 State Treasury, as determined by the department. These funds and
29 interest earned on these funds may be used for the disbursement of

30 claims and shall be exempt from the appropriation process. The
31 Department of Finance and Administration may establish and enforce
32 late charges and interest penalties or other penalties for the
33 purpose of requiring the prompt payment of all premiums for life
34 and health insurance permitted under Chapter 15 of Title 25. All
35 funds in excess of the amount needed for disbursement of claims
36 shall be deposited in a special fund in the State Treasury to be
37 known as the State Employees Insurance Fund. The State Treasurer
38 shall invest all funds in the State Employees Insurance Fund and
39 all interest earned shall be credited to the State Employees
40 Insurance Fund. Such funds shall be placed with one or more
41 depositories of the state and invested on the first day such funds
42 are available for investment in certificates of deposit,
43 repurchase agreements or in United States Treasury bills or as
44 otherwise authorized by law for the investment of Public
45 Employees' Retirement System funds, as long as such investment is
46 made from competitive offering and at the highest and best market
47 rate obtainable consistent with any available investment
48 alternatives; however, such investments shall not be made in
49 shares of stock, common or preferred, or in any other investments
50 which would mature more than one (1) year from the date of
51 investment. The department shall have the authority to draw from
52 this fund periodically such funds as are necessary to operate the
53 self-insurance plan or to pay to the insurance carrier the cost of
54 operation of this plan, it being the purpose to limit the amount
55 of participation by the state to fifty percent (50%) of the cost
56 of the life insurance program and not to limit the contracting for
57 additional benefits where the cost will be paid in full by the
58 employee. The state shall not share in the cost of coverage for
59 retired employees.

60 The department shall also provide for the creation of an
61 Insurance Reserve Fund and funds therein shall be invested by the
62 State Treasurer with all interest earned credited to the State
63 Employees Insurance Fund.

64 Any retired employee electing to purchase * * * life * * *
65 insurance under the provisions of this article will have the full
66 cost of such life insurance deducted monthly from his State of
67 Mississippi retirement plan check or direct billed for the cost of

68 the premium. The state shall pay the full cost of health
69 insurance for any retired employee electing to purchase such
70 health insurance coverage for himself under the provisions of this
71 article. With respect to any health insurance coverage purchased
72 under the provisions of this article by a retired employee for
73 dependents, the full cost of the premium for such dependent
74 coverage shall be deducted monthly from the retiree's State of
75 Mississippi retirement plan check.

76 SECTION 2. This act shall take effect and be in force from
77 and after July 1, 1999.