

By: Representative Stevens

To: Insurance

HOUSE BILL NO. 522
(As Sent to Governor)

1 AN ACT TO PROVIDE THAT THE PROCEEDS OF A LIFE INSURANCE
2 POLICY BECOME DUE AS OF THE DATE OF THE DEATH OF THE INSURED; TO
3 REQUIRE INSURERS ADMITTED TO TRANSACT LIFE INSURANCE IN THIS STATE
4 TO PAY INTEREST ON PROCEEDS OF CERTAIN LIFE INSURANCE POLICIES; TO
5 PROVIDE THAT SUCH INTEREST SHALL BE COMPUTED FROM THE INSURED'S
6 DEATH UNTIL THE DATE OF PAYMENT; TO AMEND SECTION 25-15-9,
7 MISSISSIPPI CODE OF 1972, TO ALLOW ANY SCHOOL DISTRICT,
8 COMMUNITY/JUNIOR COLLEGE DISTRICT OR PUBLIC LIBRARY UNTIL OCTOBER
9 1, 2004, TO CHOOSE A CERTAIN POLICY OR POLICIES OF GROUP LIFE
10 INSURANCE WITH AN INSURANCE COMPANY APPROVED BY THE STATE AND
11 SCHOOL EMPLOYEES HEALTH INSURANCE MANAGEMENT BOARD IN LIEU OF
12 PARTICIPATION IN THE STATE AND SCHOOL LIFE INSURANCE PLAN; AND FOR
13 RELATED PURPOSES.

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

15 **SECTION 1.** (1) Proceeds of a life insurance policy shall
16 become due as of the date of the death of the insured. Each
17 insurer admitted to transact life insurance in this state shall
18 pay interest on proceeds or payments under any policy of life
19 insurance payable to a beneficiary residing in this state or to a
20 beneficiary under a policy issued in this state or to a
21 beneficiary under a policy insuring a person resident in this
22 state at the time of death.

23 (2) Interest payable under subsection (1) of this section
24 shall be computed from the insured's death until the date of
25 payment and shall be computed at the rate of interest guaranteed
26 by the policy or at the current rate of interest applicable to
27 death proceeds left on deposit with the insurer under an interest
28 settlement option or at the current rate of interest payable on
29 dividends left on deposit with the insurer, whichever is greater.

30 (3) This section shall be applicable to any such policy
31 where proceeds have not been paid and accepted before the
32 effective date of this act.

33 (4) This section shall not apply:

34 (a) When the total death proceeds payable by an insurer
35 on account of the death of an insured person is less than Five
36 Thousand Dollars (\$5,000.00); or

37 (b) When death proceeds result from insurance written
38 under Section 83-53-1 et seq.

39 **SECTION 2.** Section 25-15-9, Mississippi Code of 1972, is
40 amended as follows:

41 **[Through June 30 of the year in which Section 25-11-143**
42 **becomes effective as provided in subsection (1) of Section**
43 **25-11-143, this section shall read as follows:]**

44 25-15-9. (1) (a) The board shall design a plan of health
45 insurance for state employees which provides benefits for
46 semiprivate rooms in addition to other incidental coverages which
47 the board deems necessary. The amount of the coverages shall be
48 in such reasonable amount as may be determined by the board to be
49 adequate, after due consideration of current health costs in
50 Mississippi. The plan shall also include major medical benefits
51 in such amounts as the board shall determine. The board is also
52 authorized to accept bids for such alternate coverage and optional
53 benefits as the board shall deem proper. Any contract for
54 alternative coverage and optional benefits shall be awarded by the
55 board after it has carefully studied and evaluated the bids and
56 selected the best and most cost-effective bid. The board may
57 reject all such bids; however, the board shall notify all bidders
58 of the rejection and shall actively solicit new bids if all bids
59 are rejected. The board may employ or contract for such
60 consulting or actuarial services as may be necessary to formulate
61 the plan, and to assist the board in the preparation of
62 specifications and in the process of advertising for the bids for
63 the plan. Such contracts shall be solicited and entered into in
64 accordance with Section 25-15-5. The board shall keep a record of
65 all persons, agents and corporations who contract with or assist

66 the board in preparing and developing the plan. The board in a
67 timely manner shall provide copies of this record to the members
68 of the advisory council created in this section and those
69 legislators, or their designees, who may attend meetings of the
70 advisory council. The board shall provide copies of this record
71 in the solicitation of bids for the administration or servicing of
72 the self-insured program. Each person, agent or corporation
73 which, during the previous fiscal year, has assisted in the
74 development of the plan or employed or compensated any person who
75 assisted in the development of the plan, and which bids on the
76 administration or servicing of the plan, shall submit to the board
77 a statement accompanying the bid explaining in detail its
78 participation with the development of the plan. This statement
79 shall include the amount of compensation paid by the bidder to any
80 such employee during the previous fiscal year. The board shall
81 make all such information available to the members of the advisory
82 council and those legislators, or their designees, who may attend
83 meetings of the advisory council before any action is taken by the
84 board on the bids submitted. The failure of any bidder to fully
85 and accurately comply with this paragraph shall result in the
86 rejection of any bid submitted by that bidder or the cancellation
87 of any contract executed when the failure is discovered after the
88 acceptance of that bid. The board is authorized to promulgate
89 rules and regulations to implement the provisions of this
90 subsection.

91 The board shall develop plans for the insurance plan
92 authorized by this section in accordance with the provisions of
93 Section 25-15-5.

94 Any corporation, association, company or individual that
95 contracts with the board for the third-party claims administration
96 of the self-insured plan shall prepare and keep on file an
97 explanation of benefits for each claim processed. The explanation
98 of benefits shall contain such information relative to each

99 processed claim which the board deems necessary, and, at a
100 minimum, each explanation shall provide the claimant's name, claim
101 number, provider number, provider name, service dates, type of
102 services, amount of charges, amount allowed to the claimant and
103 reason codes. The information contained in the explanation of
104 benefits shall be available for inspection upon request by the
105 board. The board shall have access to all claims information
106 utilized in the issuance of payments to employees and providers.

107 (b) There is created an advisory council to advise the
108 board in the formulation of the State and School Employees Health
109 Insurance Plan. The council shall be composed of the State
110 Insurance Commissioner or his designee, an employee-representative
111 of the institutions of higher learning appointed by the board of
112 trustees thereof, an employee-representative of the Department of
113 Transportation appointed by the director thereof, an
114 employee-representative of the State Tax Commission appointed by
115 the Commissioner of Revenue, an employee-representative of the
116 Mississippi Department of Health appointed by the State Health
117 Officer, an employee-representative of the Mississippi Department
118 of Corrections appointed by the Commissioner of Corrections, and
119 an employee-representative of the Department of Human Services
120 appointed by the Executive Director of Human Services, two (2)
121 certificated public school administrators appointed by the State
122 Board of Education, two (2) certificated classroom teachers
123 appointed by the State Board of Education, a noncertificated
124 school employee appointed by the State Board of Education and a
125 community/junior college employee appointed by the State Board for
126 Community and Junior Colleges.

127 The Lieutenant Governor may designate the Secretary of the
128 Senate, the Chairman of the Senate Appropriations Committee, the
129 Chairman of the Senate Education Committee and the Chairman of the
130 Senate Insurance Committee, and the Speaker of the House of
131 Representatives may designate the Clerk of the House, the Chairman

132 of the House Appropriations Committee, the Chairman of the House
133 Education Committee and the Chairman of the House Insurance
134 Committee, to attend any meeting of the State and School Employees
135 Insurance Advisory Council. The appointing authorities may
136 designate an alternate member from their respective houses to
137 serve when the regular designee is unable to attend such meetings
138 of the council. Such designees shall have no jurisdiction or vote
139 on any matter within the jurisdiction of the council. For
140 attending meetings of the council, such legislators shall receive
141 per diem and expenses which shall be paid from the contingent
142 expense funds of their respective houses in the same amounts as
143 provided for committee meetings when the Legislature is not in
144 session; however, no per diem and expenses for attending meetings
145 of the council will be paid while the Legislature is in session.
146 No per diem and expenses will be paid except for attending
147 meetings of the council without prior approval of the proper
148 committee in their respective houses.

149 (c) No change in the terms of the State and School
150 Employees Health Insurance Plan may be made effective unless the
151 board, or its designee, has provided notice to the State and
152 School Employees Health Insurance Advisory Council and has called
153 a meeting of the council at least fifteen (15) days before the
154 effective date of such change. In the event that the State and
155 School Employees Health Insurance Advisory Council does not meet
156 to advise the board on the proposed changes, the changes to the
157 plan shall become effective at such time as the board has informed
158 the council that the changes shall become effective.

159 (d) **Medical benefits for retired employees and**
160 **dependents under age sixty-five (65) years and not eligible for**
161 **Medicare benefits.** The same health insurance coverage as for all
162 other active employees and their dependents shall be available to
163 retired employees and all dependents under age sixty-five (65)
164 years who are not eligible for Medicare benefits, the level of

165 benefits to be the same level as for all other active
166 participants. This section will apply to those employees who
167 retire due to one hundred percent (100%) medical disability as
168 well as those employees electing early retirement.

169 (e) **Medical benefits for retired employees and**
170 **dependents over age sixty-five (65) years or otherwise eligible**
171 **for Medicare benefits.** The health insurance coverage available to
172 retired employees over age sixty-five (65) years or otherwise
173 eligible for Medicare benefits, and all dependents over age
174 sixty-five (65) years or otherwise eligible for Medicare benefits,
175 shall be the major medical coverage with the lifetime maximum of
176 One Million Dollars (\$1,000,000.00). Benefits shall be reduced by
177 Medicare benefits as though such Medicare benefits were the base
178 plan.

179 All covered individuals shall be assumed to have full
180 Medicare coverage, Parts A and B; and any Medicare payments under
181 both Parts A and B shall be computed to reduce benefits payable
182 under this plan.

183 (2) Nonduplication of benefits--reduction of benefits by
184 Title XIX benefits: When benefits would be payable under more
185 than one (1) group plan, benefits under those plans will be
186 coordinated to the extent that the total benefits under all plans
187 will not exceed the total expenses incurred.

188 Benefits for hospital or surgical or medical benefits shall
189 be reduced by any similar benefits payable in accordance with
190 Title XIX of the Social Security Act or under any amendments
191 thereto, or any implementing legislation.

192 Benefits for hospital or surgical or medical benefits shall
193 be reduced by any similar benefits payable by workers'
194 compensation.

195 (3) (a) Schedule of life insurance benefits--group term:
196 The amount of term life insurance for each active employee of a
197 department, agency or institution of the state government shall

198 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
199 twice the amount of the employee's annual wage to the next highest
200 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
201 case less than Thirty Thousand Dollars (\$30,000.00), with a like
202 amount for accidental death and dismemberment on a
203 twenty-four-hour basis. The plan will further contain a premium
204 waiver provision if a covered employee becomes totally and
205 permanently disabled prior to age sixty-five (65) years.
206 Employees retiring after June 30, 1999, shall be eligible to
207 continue life insurance coverage in an amount of Five Thousand
208 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
209 Thousand Dollars (\$20,000.00) into retirement.

210 (b) Effective October 1, 1999, schedule of life
211 insurance benefits--group term: The amount of term life insurance
212 for each active employee of any school district, community/junior
213 college, public library or university-based program authorized
214 under Section 37-23-31 for deaf, aphasic and emotionally disturbed
215 children or any regular nonstudent bus driver shall not be in
216 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
217 amount of the employee's annual wage to the next highest One
218 Thousand Dollars (\$1,000.00), whichever may be less, but in no
219 case less than Thirty Thousand Dollars (\$30,000.00), with a like
220 amount for accidental death and dismemberment on a
221 twenty-four-hour basis. The plan will further contain a premium
222 waiver provision if a covered employee of any school district,
223 community/junior college, public library or university-based
224 program authorized under Section 37-23-31 for deaf, aphasic and
225 emotionally disturbed children or any regular nonstudent bus
226 driver becomes totally and permanently disabled prior to age
227 sixty-five (65) years. Employees of any school district,
228 community/junior college, public library or university-based
229 program authorized under Section 37-23-31 for deaf, aphasic and
230 emotionally disturbed children or any regular nonstudent bus

231 driver retiring after September 30, 1999, shall be eligible to
232 continue life insurance coverage in an amount of Five Thousand
233 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
234 Thousand Dollars (\$20,000.00) into retirement.

235 (4) Any eligible employee who on March 1, 1971, was
236 participating in a group life insurance program which has
237 provisions different from those included herein and for which the
238 State of Mississippi was paying a part of the premium may, at his
239 discretion, continue to participate in such plan. Such employee
240 shall pay in full all additional costs, if any, above the minimum
241 program established by this article. Under no circumstances shall
242 any individual who begins employment with the state after March 1,
243 1971, be eligible for the provisions of this paragraph.

244 (5) The board may offer medical savings accounts as defined
245 in Section 71-9-3 as a plan option.

246 (6) Any premium differentials, differences in coverages,
247 discounts determined by risk or by any other factors shall be
248 uniformly applied to all active employees participating in the
249 insurance plan. It is the intent of the Legislature that the
250 state contribution to the plan be the same for each employee
251 throughout the state.

252 (7) On October 1, 1999, any school district,
253 community/junior college district or public library may elect to
254 remain with an existing policy or policies of group life insurance
255 with an insurance company approved by the State and School
256 Employees Health Insurance Management Board, in lieu of
257 participation in the State and School Life Insurance Plan. On or
258 after July 1, 2004, until October 1, 2004, any school district,
259 community/junior college district or public library may elect to
260 choose a policy or policies of group life insurance existing on
261 October 1, 1999, with an insurance company approved by the State
262 and School Employees Health Insurance Management Board in lieu of
263 participation in the State and School Life Insurance Plan. The

264 state's contribution of up to fifty percent (50%) of the active
265 employee's premium under the State and School Life Insurance Plan
266 may be applied toward the cost of coverage for full-time employees
267 participating in the approved life insurance company group plan.
268 For purposes of this subsection (7), "life insurance company group
269 plan" means a plan administered or sold by a private insurance
270 company. After October 1, 1999, the board may assess charges in
271 addition to the existing State and School Life Insurance Plan
272 rates to such employees as a condition of enrollment in the State
273 and School Life Insurance Plan. In order for any life insurance
274 company group plan * * * to be approved by the State and School
275 Employees Health Insurance Management Board under this subsection
276 (7), it shall meet the following criteria:

277 (a) The insurance company offering the group life
278 insurance plan shall be rated "A-" or better by A.M. Best state
279 insurance rating service and be licensed as an admitted carrier in
280 the State of Mississippi by the Mississippi Department of
281 Insurance.

282 (b) The insurance company group life insurance plan
283 shall provide the same life insurance, accidental death and
284 dismemberment insurance and waiver of premium benefits as provided
285 in the State and School Life Insurance Plan.

286 (c) The insurance company group life insurance plan
287 shall be fully insured, and no form of self-funding life insurance
288 by such company shall be approved.

289 (d) The insurance company group life insurance plan
290 shall have one (1) composite rate per One Thousand Dollars
291 (\$1,000.00) of coverage for active employees regardless of age and
292 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
293 coverage for all retirees regardless of age or type of retiree.

294 (e) The insurance company and its group life insurance
295 plan shall comply with any administrative requirements of the
296 State and School Employees Health Insurance Management Board. In

297 the event any insurance company providing group life insurance
298 benefits to employees under this subsection (7) fails to comply
299 with any requirements specified herein or any administrative
300 requirements of the board, the state shall discontinue providing
301 funding for the cost of such insurance.

302 **[From and after July 1 of the year in which Section 25-11-143**
303 **becomes effective as provided in subsection (1) of Section**
304 **25-11-143, this section shall read as follows:]**

305 25-15-9. (1) (a) The board shall design a plan of health
306 insurance for state employees that provides benefits for
307 semiprivate rooms in addition to other incidental coverages that
308 the board deems necessary. The amount of the coverages shall be
309 in such reasonable amount as may be determined by the board to be
310 adequate, after due consideration of current health costs in
311 Mississippi. The plan shall also include major medical benefits
312 in such amounts as the board shall determine. The board is also
313 authorized to accept bids for such alternate coverage and optional
314 benefits as the board deems proper. Any contract for alternative
315 coverage and optional benefits shall be awarded by the board after
316 it has carefully studied and evaluated the bids and selected the
317 best and most cost-effective bid. The board may reject all such
318 bids; however, the board shall notify all bidders of the rejection
319 and shall actively solicit new bids if all bids are rejected. The
320 board may employ or contract for such consulting or actuarial
321 services as may be necessary to formulate the plan, and to assist
322 the board in the preparation of specifications and in the process
323 of advertising for the bids for the plan. Those contracts shall
324 be solicited and entered into in accordance with Section 25-15-5.
325 The board shall keep a record of all persons, agents and
326 corporations who contract with or assist the board in preparing
327 and developing the plan. The board in a timely manner shall
328 provide copies of this record to the members of the advisory
329 council created in this section and those legislators, or their

330 designees, who may attend meetings of the advisory council. The
331 board shall provide copies of this record in the solicitation of
332 bids for the administration or servicing of the self-insured
333 program. Each person, agent or corporation that, during the
334 previous fiscal year, has assisted in the development of the plan
335 or employed or compensated any person who assisted in the
336 development of the plan, and that bids on the administration or
337 servicing of the plan, shall submit to the board a statement
338 accompanying the bid explaining in detail its participation with
339 the development of the plan. This statement shall include the
340 amount of compensation paid by the bidder to any such employee
341 during the previous fiscal year. The board shall make all such
342 information available to the members of the advisory council and
343 those legislators, or their designees, who may attend meetings of
344 the advisory council before any action is taken by the board on
345 the bids submitted. The failure of any bidder to fully and
346 accurately comply with this paragraph shall result in the
347 rejection of any bid submitted by that bidder or the cancellation
348 of any contract executed when the failure is discovered after the
349 acceptance of that bid. The board is authorized to promulgate
350 rules and regulations to implement the provisions of this
351 subsection.

352 The board shall develop plans for the insurance plan
353 authorized by this section in accordance with the provisions of
354 Section 25-15-5.

355 Any corporation, association, company or individual that
356 contracts with the board for the third-party claims administration
357 of the self-insured plan shall prepare and keep on file an
358 explanation of benefits for each claim processed. The explanation
359 of benefits shall contain such information relative to each
360 processed claim which the board deems necessary, and, at a
361 minimum, each explanation shall provide the claimant's name, claim
362 number, provider number, provider name, service dates, type of

363 services, amount of charges, amount allowed to the claimant and
364 reason codes. The information contained in the explanation of
365 benefits shall be available for inspection upon request by the
366 board. The board shall have access to all claims information
367 utilized in the issuance of payments to employees and providers.

368 (b) There is created an advisory council to advise the
369 board in the formulation of the State and School Employees Health
370 Insurance Plan. The council shall be composed of the State
371 Insurance Commissioner or his designee, an employee-representative
372 of the state institutions of higher learning appointed by the
373 board of trustees thereof, an employee-representative of the
374 Mississippi Department of Transportation appointed by the director
375 thereof, an employee-representative of the State Tax Commission
376 appointed by the Commissioner of Revenue, an
377 employee-representative of the State Department of Health
378 appointed by the State Health Officer, an employee-representative
379 of the Mississippi Department of Corrections appointed by the
380 Commissioner of Corrections, and an employee-representative of the
381 Mississippi Department of Human Services appointed by the
382 Executive Director of Human Services, two (2) certificated public
383 school administrators appointed by the State Board of Education,
384 two (2) certificated classroom teachers appointed by the State
385 Board of Education, a noncertificated school employee appointed by
386 the State Board of Education and a community/junior college
387 employee appointed by the State Board for Community and Junior
388 Colleges.

389 The Lieutenant Governor may designate the Secretary of the
390 Senate, the Chairman of the Senate Appropriations Committee, the
391 Chairman of the Senate Education Committee and the Chairman of the
392 Senate Insurance Committee, and the Speaker of the House of
393 Representatives may designate the Clerk of the House, the Chairman
394 of the House Appropriations Committee, the Chairman of the House
395 Education Committee and the Chairman of the House Insurance

396 Committee, to attend any meeting of the State and School Employees
397 Insurance Advisory Council. The appointing authorities may
398 designate an alternate member from their respective houses to
399 serve when the regular designee is unable to attend such meetings
400 of the council. Those designees shall have no jurisdiction or
401 vote on any matter within the jurisdiction of the council. For
402 attending meetings of the council, those legislators shall receive
403 per diem and expenses, which shall be paid from the contingent
404 expense funds of their respective houses in the same amounts as
405 provided for committee meetings when the Legislature is not in
406 session; however, no per diem and expenses for attending meetings
407 of the council will be paid while the Legislature is in session.
408 No per diem and expenses will be paid except for attending
409 meetings of the council without prior approval of the proper
410 committee in their respective houses.

411 (c) No change in the terms of the State and School
412 Employees Health Insurance Plan may be made effective unless the
413 board, or its designee, has provided notice to the State and
414 School Employees Health Insurance Advisory Council and has called
415 a meeting of the council at least fifteen (15) days before the
416 effective date of the change. If the State and School Employees
417 Health Insurance Advisory Council does not meet to advise the
418 board on the proposed changes, the changes to the plan will become
419 effective at such time as the board has informed the council that
420 the changes will become effective.

421 (2) Nonduplication of benefits--reduction of benefits by
422 Title XIX benefits: When benefits would be payable under more
423 than one (1) group plan, benefits under those plans will be
424 coordinated to the extent that the total benefits under all plans
425 will not exceed the total expenses incurred.

426 Benefits for hospital or surgical or medical benefits shall
427 be reduced by any similar benefits payable in accordance with

428 Title XIX of the Social Security Act or under any amendments
429 thereto, or any implementing legislation.

430 Benefits for hospital or surgical or medical benefits shall
431 be reduced by any similar benefits payable by workers'
432 compensation.

433 (3) (a) Schedule of life insurance benefits--group term:
434 The amount of term life insurance for each active employee of a
435 department, agency or institution of the state government shall
436 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
437 twice the amount of the employee's annual wage to the next highest
438 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
439 case less than Thirty Thousand Dollars (\$30,000.00), with a like
440 amount for accidental death and dismemberment on a
441 twenty-four-hour basis.

442 (b) Effective October 1, 1999, schedule of life
443 insurance benefits--group term: The amount of term life insurance
444 for each active employee of any school district, community/junior
445 college, public library, university-based program authorized under
446 Section 37-23-31 for deaf, aphasic and emotionally disturbed
447 children, or any regular nonstudent bus driver shall not be in
448 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
449 amount of the employee's annual wage to the next highest One
450 Thousand Dollars (\$1,000.00), whichever may be less, but in no
451 case less than Thirty Thousand Dollars (\$30,000.00), with a like
452 amount for accidental death and dismemberment on a
453 twenty-four-hour basis. The plan will further contain a premium
454 waiver provision if a covered employee of any school district,
455 community/junior college, public library, university-based program
456 authorized under Section 37-23-31 for deaf, aphasic and
457 emotionally disturbed children, or any regular nonstudent bus
458 driver becomes totally and permanently disabled before age
459 sixty-five (65) years.

460 (4) Any eligible employee who on March 1, 1971, was
461 participating in a group life insurance program that has
462 provisions different from those included in this section and for
463 which the State of Mississippi was paying a part of the premium
464 may, at his discretion, continue to participate in that plan. The
465 employee shall pay in full all additional costs, if any, above the
466 minimum program established by this article. Under no
467 circumstances shall any individual who begins employment with the
468 state after March 1, 1971, be eligible for the provisions of this
469 paragraph.

470 (5) The board may offer medical savings accounts as defined
471 in Section 71-9-3 as a plan option.

472 (6) Any premium differentials, differences in coverages,
473 discounts determined by risk or by any other factors shall be
474 uniformly applied to all active employees participating in the
475 insurance plan. It is the intent of the Legislature that the
476 state contribution to the plan be the same for each employee
477 throughout the state.

478 (7) On October 1, 1999, any school district,
479 community/junior college district or public library may elect to
480 remain with an existing policy or policies of group life insurance
481 with an insurance company approved by the State and School
482 Employees Health Insurance Management Board, in lieu of
483 participation in the State and School Life Insurance Plan. On or
484 after July 1, 2004, until October 1, 2004, any school district,
485 community/junior college district or public library may elect to
486 choose a policy or policies of group life insurance existing on
487 October 1, 1999, with an insurance company approved by the State
488 and School Employees Health Insurance Management Board in lieu of
489 participation in the State and School Life Insurance Plan. The
490 state's contribution of up to fifty percent (50%) of the active
491 employee's premium under the State and School Life Insurance Plan
492 may be applied toward the cost of coverage for full-time employees

493 participating in the approved life insurance company group plan.
494 For purposes of this subsection (7), "life insurance company group
495 plan" means a plan administered or sold by a private insurance
496 company. After October 1, 1999, the board may assess charges in
497 addition to the existing State and School Life Insurance Plan
498 rates to those employees as a condition of enrollment in the State
499 and School Life Insurance Plan. In order for any life insurance
500 company group plan * * * to be approved by the State and School
501 Employees Health Insurance Management Board under this subsection
502 (7), it shall meet the following criteria:

503 (a) The insurance company offering the group life
504 insurance plan shall be rated "A-" or better by A.M. Best state
505 insurance rating service and be licensed as an admitted carrier in
506 the State of Mississippi by the Mississippi Department of
507 Insurance.

508 (b) The insurance company group life insurance plan
509 shall provide the same life insurance, accidental death and
510 dismemberment insurance and waiver of premium benefits as provided
511 in the State and School Life Insurance Plan.

512 (c) The insurance company group life insurance plan
513 shall be fully insured, and no form of self-funding life insurance
514 by such company shall be approved.

515 (d) The insurance company group life insurance plan
516 shall have one (1) composite rate per One Thousand Dollars
517 (\$1,000.00) of coverage for active employees regardless of age.

518 (e) The insurance company and its group life insurance
519 plan shall comply with any administrative requirements of the
520 State and School Employees Health Insurance Management Board. If
521 any insurance company providing group life insurance benefits to
522 employees under this subsection (7) fails to comply with any
523 requirements specified in this subsection or any administrative
524 requirements of the board, the state shall discontinue providing
525 funding for the cost of that insurance.

526 **SECTION 3.** This act shall take effect and be in force from
527 and after its passage.