

By: Representative Evans

To: Municipalities; County
Affairs

HOUSE BILL NO. 650

1 AN ACT TO AMEND SECTION 25-15-101, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT MUNICIPALITIES AND COUNTIES SHALL PROVIDE THE FULL
3 COST OF HEALTH INSURANCE AND DISABILITY INSURANCE TO THEIR
4 FULL-TIME FIRE FIGHTERS AND LAW ENFORCEMENT OFFICERS AND FIFTY
5 PERCENT OF THE COST OF SUCH INSURANCE FOR THEIR RETIRED FIRE
6 FIGHTERS AND LAW ENFORCEMENT OFFICERS; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 25-15-101, Mississippi Code of 1972, is
9 amended as follows:

10 25-15-101. The governing board of any county, municipality,
11 municipal separate school district, other school district or
12 junior college district, and the governing board or head of any
13 institution, department or agency of any county or municipality
14 may negotiate for and secure for all or specified groups of
15 employees and their dependents of such county or municipality, or
16 institution, department or agency of such county or municipality,
17 or municipal separate school district, other school district or
18 junior college district, a policy or policies of group insurance
19 covering the life, (except as hereinafter provided), salary
20 protection, health, accident and hospitalization, as well as a
21 group contract or contracts covering hospital and/or medical
22 and/or surgical services or benefits (including surgical costs,
23 so-called "hospital extras," medical expenses, allied coverages,
24 and major medical costs) of such of its employees and their
25 dependents as may desire such insurance and other coverage under
26 such service or benefit contracts, and who shall authorize in
27 writing the deduction from the salary or wages of such employees
28 of the proportionate part of the costs thereof attributable to
29 such employees. However, beginning with the 1984-1985 school

30 year, school districts shall provide the policies of group
31 insurance to certificated personnel. Beginning October 1, 2004,
32 municipalities and counties shall provide one hundred percent
33 (100%) of the cost of health, accident and hospitalization
34 insurance and disability insurance for their full-time fire
35 fighters and law enforcement officers and fifty percent (50%) of
36 the cost of health, accident and hospitalization insurance and
37 disability insurance for their retired fire fighters and law
38 enforcement officers. Any employee who desires to reallocate or
39 reduce any part of his or her salary or wages for a cafeteria
40 fringe benefit plan in accordance with current requirements of
41 Section 125 et seq. of the Internal Revenue Code for himself or
42 herself and/or for his or her dependent(s) shall authorize, in
43 writing, the deduction from the salary or wages of such employee
44 the proportionate part of the costs thereof attributable to such
45 employee. Any amount so deducted shall be transferred into the
46 general fund or contingent fund of such county or municipality, or
47 the operating fund of such institution, department or agency of
48 the county or municipality, or the maintenance fund of such
49 municipal separate school district, other school district or
50 junior college district, as the case may be, and shall be
51 supplemented by funds from the general fund, contingent fund,
52 maintenance fund, or operating fund, as the case may be, in an
53 amount to be determined by the governing board or head of such
54 political subdivision, school district, junior college district,
55 institution, department or agency, in their discretion, in order
56 to pay the full costs. In no instances shall the amount of
57 contributions by any governing board or head of a political
58 subdivision, school district, junior college district,
59 institution, department or agency hereinabove mentioned exceed an
60 average of one hundred percent (100%) of the cost of all such
61 group coverages for employees.

62 The governing board or head of such political subdivision,
63 school district, junior college district, institution, department
64 or agency is authorized to pay such full costs direct to the
65 insurance company and to the hospital and/or medical and/or
66 surgical service association from the general fund, contingent
67 fund, or the maintenance fund of such county or municipality, or
68 the operating fund of such institution, department, or agency of
69 the county or municipality, or the maintenance fund of such
70 municipal separate school district, other school district or
71 junior college district, as the case may be, and to do all acts
72 necessary and proper for the purpose of carrying out the
73 provisions of Sections 25-15-101 and 25-15-103 and of effectuating
74 the purposes hereof. The rates for any and all costs covered by
75 the sections shall be in keeping with promulgated schedules, and
76 the rates for such costs shall be approved by the Insurance
77 Commissioner of the State of Mississippi. This section shall not
78 be construed to prevent changes in rates based on experience, nor
79 the granting of dividends or rate reductions or credits.

80 The governing board or head of any political subdivision or
81 other entity set forth in this section may elect to become a
82 self-insurer with respect to all or any portion of group life,
83 salary protection, health, accident and hospitalization benefits
84 on terms and conditions deemed advisable, in its discretion. The
85 administration and service of any such self-insurance program
86 shall be contracted to a third party approved by the Commissioner
87 of Insurance and benefits provided in excess of the self-insurance
88 plan shall be covered by a policy or policies of group insurance
89 or a group contract or contracts issued by a company licensed to
90 do business in this state.

91 The governing board of any political subdivision or other
92 entity set forth in this section may join with any one or more
93 other such political subdivision or entity to pool the risks
94 authorized to be insured or self-insured under this section or to

95 act as a self-insurer, or to contract for a policy or policies of
96 insurance, or to contract with a third party administrator for a
97 self-insurance plan; however, in order to qualify as a
98 self-insurer a group, whether consisting of one or more employers,
99 shall consist of not less than one hundred fifty (150) employees.
100 The governing board of any political subdivision or other entity
101 set forth in this section having at least fifty (50) employees but
102 less than one hundred fifty (150) employees may self-insure all or
103 any part of a benefit program with benefits authorized to be
104 insured or self-insured under this section in an amount not to
105 exceed Two Thousand Dollars (\$2,000.00) per year per employee; and
106 any such political subdivision or other entity may join with any
107 one or more other such political subdivisions or entities, such
108 political subdivisions and entities having at least fifty (50)
109 employees but less than one hundred fifty (150) employees in the
110 aggregate, to pool the risks authorized to be insured or
111 self-insured under this section. However, any such self-insurance
112 plan or pooled risk plan involving at least fifty (50) employees
113 but less than one hundred fifty (150) employees shall be certified
114 by the Mississippi Department of Insurance as being actuarially
115 sound.

116 Any political subdivision or other entity that provides any
117 plan of group insurance or other coverage under this section does
118 not waive, but expressly reserves, its sovereign immunity under
119 the laws of the State of Mississippi; and all plans and agreements
120 executed by political subdivisions and other entities providing
121 insurance or other coverage under this section shall contain a
122 provision expressly limiting liability for the payment of all
123 benefits for single or multiple claims to the extent of the
124 insurance carried or to the extent of funds available under the
125 self-insurance fund.

126 Nothing in Sections 25-15-101 and 25-15-103 shall be
127 construed to apply to agencies financed entirely by federally
128 granted administrative funds.

129 The restrictions in this section on the amount which
130 employers may pay for group insurance and other coverage for their
131 employees shall not be applicable to municipalities.

132 Any governing board or head of any political subdivision or
133 other entity that provides any plan of group insurance or other
134 coverage under this section, and any person with whom such
135 governing board, head of a political subdivision or other entity
136 contracts in the performance of any duty or authority prescribed
137 under this section, shall be liable civilly for the loss or
138 misappropriation of any public funds resulting from their failure
139 to comply with any provision of this section, such funds to be
140 recovered in the manner provided under Section 7-7-211.

141 **SECTION 2.** This act shall take effect and be in force from
142 and after July 1, 2004.