

By: Representatives Formby, Stringer

To: Insurance;
Appropriations

HOUSE BILL NO. 191

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 REQUIRE THAT EMPLOYEES MUST HAVE BEEN PARTICIPANTS IN THE STATE
3 AND SCHOOL EMPLOYEES LIFE AND HEALTH INSURANCE PLAN FOR FOUR YEARS
4 OR MORE TO BE ELIGIBLE TO PARTICIPATE IN THE PLAN UPON THEIR
5 RETIREMENT; AND FOR RELATED PURPOSES.

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

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

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

12 25-15-9. (1) (a) The board shall design a plan of health
13 insurance for state employees which provides benefits for
14 semiprivate rooms in addition to other incidental coverages which
15 the board deems necessary. The amount of the coverages shall be
16 in such reasonable amount as may be determined by the board to be
17 adequate, after due consideration of current health costs in
18 Mississippi. The plan shall also include major medical benefits
19 in such amounts as the board shall determine. The board is also
20 authorized to accept bids for such alternate coverage and optional
21 benefits as the board shall deem proper. Any contract for
22 alternative coverage and optional benefits shall be awarded by the
23 board after it has carefully studied and evaluated the bids and
24 selected the best and most cost-effective bid. The board may
25 reject all such bids; however, the board shall notify all bidders
26 of the rejection and shall actively solicit new bids if all bids
27 are rejected. The board may employ or contract for such
28 consulting or actuarial services as may be necessary to formulate

29 the plan, and to assist the board in the preparation of
30 specifications and in the process of advertising for the bids for
31 the plan. Such contracts shall be solicited and entered into in
32 accordance with Section 25-15-5. The board shall keep a record of
33 all persons, agents and corporations who contract with or assist
34 the board in preparing and developing the plan. The board in a
35 timely manner shall provide copies of this record to the members
36 of the advisory council created in this section and those
37 legislators, or their designees, who may attend meetings of the
38 advisory council. The board shall provide copies of this record
39 in the solicitation of bids for the administration or servicing of
40 the self-insured program. Each person, agent or corporation
41 which, during the previous fiscal year, has assisted in the
42 development of the plan or employed or compensated any person who
43 assisted in the development of the plan, and which bids on the
44 administration or servicing of the plan, shall submit to the board
45 a statement accompanying the bid explaining in detail its
46 participation with the development of the plan. This statement
47 shall include the amount of compensation paid by the bidder to any
48 such employee during the previous fiscal year. The board shall
49 make all such information available to the members of the advisory
50 council and those legislators, or their designees, who may attend
51 meetings of the advisory council before any action is taken by the
52 board on the bids submitted. The failure of any bidder to fully
53 and accurately comply with this paragraph shall result in the
54 rejection of any bid submitted by that bidder or the cancellation
55 of any contract executed when the failure is discovered after the
56 acceptance of that bid. The board is authorized to promulgate
57 rules and regulations to implement the provisions of this
58 subsection.

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

62 Any corporation, association, company or individual that
63 contracts with the board for the third-party claims administration
64 of the self-insured plan shall prepare and keep on file an
65 explanation of benefits for each claim processed. The explanation
66 of benefits shall contain such information relative to each
67 processed claim which the board deems necessary, and, at a
68 minimum, each explanation shall provide the claimant's name, claim
69 number, provider number, provider name, service dates, type of
70 services, amount of charges, amount allowed to the claimant and
71 reason codes. The information contained in the explanation of
72 benefits shall be available for inspection upon request by the
73 board. The board shall have access to all claims information
74 utilized in the issuance of payments to employees and providers.

75 (b) There is created an advisory council to advise the
76 board in the formulation of the State and School Employees Health
77 Insurance Plan. The council shall be composed of the State
78 Insurance Commissioner or his designee, an employee-representative
79 of the institutions of higher learning appointed by the board of
80 trustees thereof, an employee-representative of the Department of
81 Transportation appointed by the director thereof, an
82 employee-representative of the State Tax Commission appointed by
83 the Commissioner of Revenue, an employee-representative of the
84 Mississippi Department of Health appointed by the State Health
85 Officer, an employee-representative of the Mississippi Department
86 of Corrections appointed by the Commissioner of Corrections, and
87 an employee-representative of the Department of Human Services
88 appointed by the Executive Director of Human Services, two (2)
89 certificated public school administrators appointed by the State
90 Board of Education, two (2) certificated classroom teachers
91 appointed by the State Board of Education, a noncertificated
92 school employee appointed by the State Board of Education and a
93 community/junior college employee appointed by the State Board for
94 Community and Junior Colleges.

95 The Lieutenant Governor may designate the Secretary of the
96 Senate, the Chairman of the Senate Appropriations Committee, the
97 Chairman of the Senate Education Committee and the Chairman of the
98 Senate Insurance Committee, and the Speaker of the House of
99 Representatives may designate the Clerk of the House, the Chairman
100 of the House Appropriations Committee, the Chairman of the House
101 Education Committee and the Chairman of the House Insurance
102 Committee, to attend any meeting of the State and School Employees
103 Insurance Advisory Council. The appointing authorities may
104 designate an alternate member from their respective houses to
105 serve when the regular designee is unable to attend such meetings
106 of the council. Such designees shall have no jurisdiction or vote
107 on any matter within the jurisdiction of the council. For
108 attending meetings of the council, such legislators shall receive
109 per diem and expenses which shall be paid from the contingent
110 expense funds of their respective houses in the same amounts as
111 provided for committee meetings when the Legislature is not in
112 session; however, no per diem and expenses for attending meetings
113 of the council will be paid while the Legislature is in session.
114 No per diem and expenses will be paid except for attending
115 meetings of the council without prior approval of the proper
116 committee in their respective houses.

117 (c) No change in the terms of the State and School
118 Employees Health Insurance Plan may be made effective unless the
119 board, or its designee, has provided notice to the State and
120 School Employees Health Insurance Advisory Council and has called
121 a meeting of the council at least fifteen (15) days before the
122 effective date of such change. In the event that the State and
123 School Employees Health Insurance Advisory Council does not meet
124 to advise the board on the proposed changes, the changes to the
125 plan shall become effective at such time as the board has informed
126 the council that the changes shall become effective.

127 (d) **Medical benefits for retired employees and**
128 **dependents under age sixty-five (65) years and not eligible for**
129 **Medicare benefits.** For employees who retire before June 30, 2005,
130 the same health insurance coverage as for all other active
131 employees and their dependents shall be available to retired
132 employees and all dependents under age sixty-five (65) years who
133 are not eligible for Medicare benefits, the level of benefits to
134 be the same level as for all other active participants. For
135 employees who retire after June 30, 2005, the same health
136 insurance coverage as for all other active employees and their
137 dependents shall be available to such retiring employees only if
138 they were participants in the State and School Employees Health
139 Insurance Plan for four (4) years or more before their retirement
140 and all dependents under age sixty-five (65) years who are not
141 eligible for Medicare benefits, the level of benefits to be the
142 same level as for all other active participants. This section
143 will apply to those employees who retire due to one hundred
144 percent (100%) medical disability as well as those employees
145 electing early retirement.

146 (e) **Medical benefits for retired employees and**
147 **dependents over age sixty-five (65) years or otherwise eligible**
148 **for Medicare benefits.** For employees who retire before June 30,
149 2005, the health insurance coverage available to retired employees
150 over age sixty-five (65) years or otherwise eligible for Medicare
151 benefits, and all dependents over age sixty-five (65) years or
152 otherwise eligible for Medicare benefits, shall be the major
153 medical coverage with the lifetime maximum of One Million Dollars
154 (\$1,000,000.00). For employees retiring after June 30, 2005, the
155 health insurance coverage described herein shall be available to
156 such retiring employees only if they were participants in the
157 State and School Employees Health Insurance Plan for four (4)
158 years or more and are over age sixty-five (65) years or otherwise
159 eligible for Medicare benefits, and all dependents over age

160 sixty-five (65) years or otherwise eligible for Medicare benefits.
161 Benefits shall be reduced by Medicare benefits as though such
162 Medicare benefits were the base plan.

163 All covered individuals shall be assumed to have full
164 Medicare coverage, Parts A and B; and any Medicare payments under
165 both Parts A and B shall be computed to reduce benefits payable
166 under this plan.

167 (2) Nonduplication of benefits--reduction of benefits by
168 Title XIX benefits: When benefits would be payable under more
169 than one (1) group plan, benefits under those plans will be
170 coordinated to the extent that the total benefits under all plans
171 will not exceed the total expenses incurred.

172 Benefits for hospital or surgical or medical benefits shall
173 be reduced by any similar benefits payable in accordance with
174 Title XIX of the Social Security Act or under any amendments
175 thereto, or any implementing legislation.

176 Benefits for hospital or surgical or medical benefits shall
177 be reduced by any similar benefits payable by workers'
178 compensation.

179 (3) (a) Schedule of life insurance benefits--group term:
180 The amount of term life insurance for each active employee of a
181 department, agency or institution of the state government shall
182 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
183 twice the amount of the employee's annual wage to the next highest
184 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
185 case less than Thirty Thousand Dollars (\$30,000.00), with a like
186 amount for accidental death and dismemberment on a
187 twenty-four-hour basis. The plan will further contain a premium
188 waiver provision if a covered employee becomes totally and
189 permanently disabled prior to age sixty-five (65) years.
190 Employees retiring after June 30, 1999, and before June 30, 2005,
191 shall be eligible to continue life insurance coverage in an amount
192 of Five Thousand Dollars (\$5,000.00), Ten Thousand Dollars

193 (\$10,000.00) or Twenty Thousand Dollars (\$20,000.00) into
194 retirement. For employees who retire after June 30, 2005, only
195 those employees who were participants in the State and School Life
196 Insurance Plan shall be eligible to continue life insurance
197 coverage in an amount of Five Thousand Dollars (\$5,000.00), Ten
198 Thousand Dollars (\$10,000.00) or Twenty Thousand Dollars
199 (\$20,000.00) into retirement.

200 (b) Effective October 1, 1999, schedule of life
201 insurance benefits--group term: The amount of term life insurance
202 for each active employee of any school district, community/junior
203 college, public library or university-based program authorized
204 under Section 37-23-31 for deaf, aphasic and emotionally disturbed
205 children or any regular nonstudent bus driver shall not be in
206 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
207 amount of the employee's annual wage to the next highest One
208 Thousand Dollars (\$1,000.00), whichever may be less, but in no
209 case less than Thirty Thousand Dollars (\$30,000.00), with a like
210 amount for accidental death and dismemberment on a
211 twenty-four-hour basis. The plan will further contain a premium
212 waiver provision if a covered employee of any school district,
213 community/junior college, public library or university-based
214 program authorized under Section 37-23-31 for deaf, aphasic and
215 emotionally disturbed children or any regular nonstudent bus
216 driver becomes totally and permanently disabled prior to age
217 sixty-five (65) years. Employees of any school district,
218 community/junior college, public library or university-based
219 program authorized under Section 37-23-31 for deaf, aphasic and
220 emotionally disturbed children or any regular nonstudent bus
221 driver retiring after September 30, 1999, and before June 30,
222 2005, shall be eligible to continue life insurance coverage in an
223 amount of Five Thousand Dollars (\$5,000.00), Ten Thousand Dollars
224 (\$10,000.00) or Twenty Thousand Dollars (\$20,000.00) into
225 retirement. For employees of any school district,

226 community/junior college, public library or university-based
227 program authorized under Section 37-23-31 for deaf, aphasic and
228 emotionally disturbed children or any regular nonstudent bus
229 drivers who retire after June 30, 2005, only those retiring
230 employees who were participants in the State and School Life
231 Insurance Plan for four (4) or more years before retirement shall
232 be eligible to continue life insurance coverage in an amount of
233 Five Thousand Dollars (\$5,000.00), Ten Thousand Dollars
234 (\$10,000.00) or Twenty Thousand Dollars (\$20,000.00) into
235 retirement.

236 (4) Any eligible employee who on March 1, 1971, was
237 participating in a group life insurance program which has
238 provisions different from those included herein and for which the
239 State of Mississippi was paying a part of the premium may, at his
240 discretion, continue to participate in such plan. Such employee
241 shall pay in full all additional costs, if any, above the minimum
242 program established by this article. Under no circumstances shall
243 any individual who begins employment with the state after March 1,
244 1971, be eligible for the provisions of this paragraph.

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

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

253 (7) On October 1, 1999, any school district,
254 community/junior college district or public library may elect to
255 remain with an existing policy or policies of group life insurance
256 with an insurance company approved by the State and School
257 Employees Health Insurance Management Board, in lieu of
258 participation in the State and School Life Insurance Plan. On or

259 after July 1, 2004, until October 1, 2004, any school district,
260 community/junior college district or public library may elect to
261 choose a policy or policies of group life insurance existing on
262 October 1, 1999, with an insurance company approved by the State
263 and School Employees Health Insurance Management Board in lieu of
264 participation in the State and School Life Insurance Plan. The
265 state's contribution of up to fifty percent (50%) of the active
266 employee's premium under the State and School Life Insurance Plan
267 may be applied toward the cost of coverage for full-time employees
268 participating in the approved life insurance company group plan.
269 For purposes of this subsection (7), "life insurance company group
270 plan" means a plan administered or sold by a private insurance
271 company. After October 1, 1999, the board may assess charges in
272 addition to the existing State and School Life Insurance Plan
273 rates to such employees as a condition of enrollment in the State
274 and School Life Insurance Plan. In order for any life insurance
275 company group plan to be approved by the State and School
276 Employees Health Insurance Management Board under this subsection
277 (7), it shall meet the following criteria:

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

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

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

290 (d) The insurance company group life insurance plan
291 shall have one (1) composite rate per One Thousand Dollars

292 (\$1,000.00) of coverage for active employees regardless of age and
293 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
294 coverage for all retirees regardless of age or type of retiree.

295 (e) The insurance company and its group life insurance
296 plan shall comply with any administrative requirements of the
297 State and School Employees Health Insurance Management Board. In
298 the event any insurance company providing group life insurance
299 benefits to employees under this subsection (7) fails to comply
300 with any requirements specified herein or any administrative
301 requirements of the board, the state shall discontinue providing
302 funding for the cost of such insurance.

303 **[From and after July 1 of the year in which Section 25-11-143**
304 **becomes effective as provided in subsection (1) of Section**
305 **25-11-143, this section shall read as follows:]**

306 25-15-9. (1) (a) The board shall design a plan of health
307 insurance for state employees that provides benefits for
308 semiprivate rooms in addition to other incidental coverages that
309 the board deems necessary. The amount of the coverages shall be
310 in such reasonable amount as may be determined by the board to be
311 adequate, after due consideration of current health costs in
312 Mississippi. The plan shall also include major medical benefits
313 in such amounts as the board shall determine. The board is also
314 authorized to accept bids for such alternate coverage and optional
315 benefits as the board deems proper. Any contract for alternative
316 coverage and optional benefits shall be awarded by the board after
317 it has carefully studied and evaluated the bids and selected the
318 best and most cost-effective bid. The board may reject all such
319 bids; however, the board shall notify all bidders of the rejection
320 and shall actively solicit new bids if all bids are rejected. The
321 board may employ or contract for such consulting or actuarial
322 services as may be necessary to formulate the plan, and to assist
323 the board in the preparation of specifications and in the process
324 of advertising for the bids for the plan. Those contracts shall

325 be solicited and entered into in accordance with Section 25-15-5.
326 The board shall keep a record of all persons, agents and
327 corporations who contract with or assist the board in preparing
328 and developing the plan. The board in a timely manner shall
329 provide copies of this record to the members of the advisory
330 council created in this section and those legislators, or their
331 designees, who may attend meetings of the advisory council. The
332 board shall provide copies of this record in the solicitation of
333 bids for the administration or servicing of the self-insured
334 program. Each person, agent or corporation that, during the
335 previous fiscal year, has assisted in the development of the plan
336 or employed or compensated any person who assisted in the
337 development of the plan, and that bids on the administration or
338 servicing of the plan, shall submit to the board a statement
339 accompanying the bid explaining in detail its participation with
340 the development of the plan. This statement shall include the
341 amount of compensation paid by the bidder to any such employee
342 during the previous fiscal year. The board shall make all such
343 information available to the members of the advisory council and
344 those legislators, or their designees, who may attend meetings of
345 the advisory council before any action is taken by the board on
346 the bids submitted. The failure of any bidder to fully and
347 accurately comply with this paragraph shall result in the
348 rejection of any bid submitted by that bidder or the cancellation
349 of any contract executed when the failure is discovered after the
350 acceptance of that bid. The board is authorized to promulgate
351 rules and regulations to implement the provisions of this
352 subsection.

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

356 Any corporation, association, company or individual that
357 contracts with the board for the third-party claims administration

358 of the self-insured plan shall prepare and keep on file an
359 explanation of benefits for each claim processed. The explanation
360 of benefits shall contain such information relative to each
361 processed claim which the board deems necessary, and, at a
362 minimum, each explanation shall provide the claimant's name, claim
363 number, provider number, provider name, service dates, type of
364 services, amount of charges, amount allowed to the claimant and
365 reason codes. The information contained in the explanation of
366 benefits shall be available for inspection upon request by the
367 board. The board shall have access to all claims information
368 utilized in the issuance of payments to employees and providers.

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

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

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

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

427 Benefits for hospital or surgical or medical benefits shall
428 be reduced by any similar benefits payable in accordance with
429 Title XIX of the Social Security Act or under any amendments
430 thereto, or any implementing legislation.

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

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

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

455 waiver provision if a covered employee of any school district,
456 community/junior college, public library, university-based program
457 authorized under Section 37-23-31 for deaf, aphasic and
458 emotionally disturbed children, or any regular nonstudent bus
459 driver becomes totally and permanently disabled before age
460 sixty-five (65) years.

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

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

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

479 (7) On October 1, 1999, any school district,
480 community/junior college district or public library may elect to
481 remain with an existing policy or policies of group life insurance
482 with an insurance company approved by the State and School
483 Employees Health Insurance Management Board, in lieu of
484 participation in the State and School Life Insurance Plan. On or
485 after July 1, 2004, until October 1, 2004, any school district,
486 community/junior college district or public library may elect to
487 choose a policy or policies of group life insurance existing on

488 October 1, 1999, with an insurance company approved by the State
489 and School Employees Health Insurance Management Board in lieu of
490 participation in the State and School Life Insurance Plan. The
491 state's contribution of up to fifty percent (50%) of the active
492 employee's premium under the State and School Life Insurance Plan
493 may be applied toward the cost of coverage for full-time employees
494 participating in the approved life insurance company group plan.
495 For purposes of this subsection (7), "life insurance company group
496 plan" means a plan administered or sold by a private insurance
497 company. After October 1, 1999, the board may assess charges in
498 addition to the existing State and School Life Insurance Plan
499 rates to those employees as a condition of enrollment in the State
500 and School Life Insurance Plan. In order for any life insurance
501 company group plan to be approved by the State and School
502 Employees Health Insurance Management Board under this subsection
503 (7), it shall meet the following criteria:

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

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

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

516 (d) The insurance company group life insurance plan
517 shall have one (1) composite rate per One Thousand Dollars
518 (\$1,000.00) of coverage for active employees regardless of age.

519 (e) The insurance company and its group life insurance
520 plan shall comply with any administrative requirements of the

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

527 **SECTION 2.** This act shall take effect and be in force from
528 and after July 1, 2005.