

By: Representative Smith (27th)

To: Insurance;  
Appropriations

HOUSE BILL NO. 615

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO  
2 REVISE THE AMOUNT OF LIFE INSURANCE COVERAGE AVAILABLE TO ACTIVE  
3 STATE EMPLOYEES AND CERTAIN STATE RETIREES; AND FOR RELATED  
4 PURPOSES.

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

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

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

11 25-15-9. (1) (a) The board shall design a plan of health  
12 insurance for state employees which provides benefits for  
13 semiprivate rooms in addition to other incidental coverages which  
14 the board deems necessary. The amount of the coverages shall be  
15 in such reasonable amount as may be determined by the board to be  
16 adequate, after due consideration of current health costs in  
17 Mississippi. The plan shall also include major medical benefits  
18 in such amounts as the board shall determine. The board is also  
19 authorized to accept bids for such alternate coverage and optional  
20 benefits as the board shall deem proper. Any contract for  
21 alternative coverage and optional benefits shall be awarded by the  
22 board after it has carefully studied and evaluated the bids and  
23 selected the best and most cost-effective bid. The board may  
24 reject all such bids; however, the board shall notify all bidders  
25 of the rejection and shall actively solicit new bids if all bids  
26 are rejected. The board may employ or contract for such  
27 consulting or actuarial services as may be necessary to formulate  
28 the plan, and to assist the board in the preparation of

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

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

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

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

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

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

126           (d) **Medical benefits for retired employees and**  
127 **dependents under age sixty-five (65) years and not eligible for**  
128 **Medicare benefits.** For employees who retire before July 1, 2005,  
129 and for employees retiring due to work-related disability under  
130 the Public Employees' Retirement System, the same health insurance  
131 coverage as for all other active employees and their dependents  
132 shall be available to retired employees and all dependents under  
133 age sixty-five (65) years who are not eligible for Medicare  
134 benefits, the level of benefits to be the same level as for all  
135 other active participants. For employees who retire on or after  
136 July 1, 2005, and not retiring due to work-related disability  
137 under the Public Employees' Retirement System, the same health  
138 insurance coverage as for all other active employees and their  
139 dependents shall be available to such retiring employees and all  
140 dependents under age sixty-five (65) years who are not eligible  
141 for Medicare benefits only if the retiring employees were  
142 participants in the State and School Employees Health Insurance  
143 Plan for four (4) years or more before their retirement, the level  
144 of benefits to be the same level as for all other active  
145 participants. This section will apply to those employees who  
146 retire due to one hundred percent (100%) medical disability as  
147 well as those employees electing early retirement.

148           (e) **Medical benefits for retired employees and**  
149 **dependents over age sixty-five (65) years or otherwise eligible**  
150 **for Medicare benefits.** For employees who retire before July 1,  
151 2005, and for employees retiring due to work-related disability  
152 under the Public Employees' Retirement System, the health  
153 insurance coverage available to retired employees over age  
154 sixty-five (65) years or otherwise eligible for Medicare benefits,  
155 and all dependents over age sixty-five (65) years or otherwise  
156 eligible for Medicare benefits, shall be the major medical  
157 coverage with the lifetime maximum of One Million Dollars  
158 (\$1,000,000.00). For employees retiring on or after July 1, 2005,

159 and not retiring due to work-related disability under the Public  
160 Employees' Retirement System, the health insurance coverage  
161 described herein shall be available to such retiring employees  
162 only if they were participants in the State and School Employees  
163 Health Insurance Plan for four (4) years or more and are over age  
164 sixty-five (65) years or otherwise eligible for Medicare benefits,  
165 and to all dependents over age sixty-five (65) years or otherwise  
166 eligible for Medicare benefits. Benefits shall be reduced by  
167 Medicare benefits as though such Medicare benefits were the base  
168 plan.

169 All covered individuals shall be assumed to have full  
170 Medicare coverage, Parts A and B; and any Medicare payments under  
171 both Parts A and B shall be computed to reduce benefits payable  
172 under this plan.

173 (2) Nonduplication of benefits--reduction of benefits by  
174 Title XIX benefits: When benefits would be payable under more  
175 than one (1) group plan, benefits under those plans will be  
176 coordinated to the extent that the total benefits under all plans  
177 will not exceed the total expenses incurred.

178 Benefits for hospital or surgical or medical benefits shall  
179 be reduced by any similar benefits payable in accordance with  
180 Title XIX of the Social Security Act or under any amendments  
181 thereto, or any implementing legislation.

182 Benefits for hospital or surgical or medical benefits shall  
183 be reduced by any similar benefits payable by workers'  
184 compensation.

185 (3) (a) Schedule of life insurance benefits--group term:  
186 The amount of term life insurance available for purchase for each  
187 active employee of a department, agency or institution of the  
188 state government shall \* \* \* be either Twenty-five Thousand  
189 Dollars (\$25,000.00), Fifty Thousand Dollars (\$50,000.00),  
190 Seventy-five Thousand Dollars (\$75,000.00) or One Hundred Thousand  
191 Dollars (\$100,000.00), \* \* \* with a like amount for accidental

192 death and dismemberment on a twenty-four-hour basis. An employee  
193 who has attained at least four (4) years of creditable service  
194 under the Public Employees' Retirement System, as provided in  
195 Section 25-11-111, may increase his coverage in increments of Ten  
196 Thousand Dollars (\$10,000.00) up to a maximum coverage of One  
197 Hundred Fifty Thousand Dollars (\$150,000.00). The plan will  
198 further contain a premium waiver provision if a covered employee  
199 becomes totally and permanently disabled prior to age seventy (70)  
200 years. Employees retiring after June 30, 2006, shall be eligible  
201 to continue life insurance coverage in the amount of coverage that  
202 he had or was eligible for as an active employee, up to a maximum  
203 coverage of One Hundred Fifty Thousand Dollars (\$150,000.00), into  
204 retirement.

205 (b) Effective June 30, 2006, schedule of life insurance  
206 benefits--group term: The amount of term life insurance available  
207 for purchase for each active employee of any school district,  
208 community/junior college, public library or university-based  
209 program authorized under Section 37-23-31 for deaf, aphasic and  
210 emotionally disturbed children or any regular nonstudent bus  
211 driver shall \* \* \* be either Twenty-five Thousand Dollars  
212 (\$25,000.00), Fifty Thousand Dollars (\$50,000.00), Seventy-five  
213 Thousand Dollars (\$75,000.00) or One Hundred Thousand Dollars  
214 (\$100,000.00), \* \* \* with a like amount for accidental death and  
215 dismemberment on a twenty-four-hour basis. An employee who has  
216 attained at least four (4) years of creditable service under the  
217 Public Employees' Retirement System, as provided in Section  
218 25-11-111, may increase his coverage in increments of Ten Thousand  
219 Dollars (\$10,000.00) up to a maximum coverage of One Hundred Fifty  
220 Thousand Dollars (\$150,000.00). The plan will further contain a  
221 premium waiver provision if a covered employee of any school  
222 district, community/junior college, public library or  
223 university-based program authorized under Section 37-23-31 for  
224 deaf, aphasic and emotionally disturbed children or any regular

225 nonstudent bus driver becomes totally and permanently disabled  
226 prior to age seventy (70) years. Employees of any school  
227 district, community/junior college, public library or  
228 university-based program authorized under Section 37-23-31 for  
229 deaf, aphasic and emotionally disturbed children or any regular  
230 nonstudent bus driver retiring after June 30, 2006, shall be  
231 eligible to continue life insurance coverage in the amount of  
232 coverage that he had or was eligible for as an active employee, up  
233 to a maximum coverage of One Hundred Fifty Thousand Dollars  
234 (\$150,000.00), 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 subsection.

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 available for purchase for each  
435 active employee of a department, agency or institution of the  
436 state government shall \* \* \* be either Twenty-five Thousand  
437 Dollars (\$25,000.00), Fifty Thousand Dollars (\$50,000.00),  
438 Seventy-five Thousand Dollars (\$75,000.00) or One Hundred Thousand  
439 Dollars (\$100,000.00), \* \* \* with a like amount for accidental  
440 death and dismemberment on a twenty-four-hour basis. An employee  
441 who has attained at least four (4) years of creditable service  
442 under the Public Employees' Retirement System, as provided in  
443 Section 25-11-111, may increase his coverage in increments of Ten  
444 Thousand Dollars (\$10,000.00) up to a maximum coverage of One  
445 Hundred Fifty Thousand Dollars (\$150,000.00). The plan shall  
446 further contain a premium waiver provision if a covered employee  
447 becomes totally and permanently disabled before age seventy (70)  
448 years. Employees retiring after June 30, 2006, shall be eligible  
449 to continue life insurance coverage in the amount of coverage that  
450 he had or was eligible for as an active employee, up to a maximum  
451 coverage of One Hundred Fifty Thousand Dollars (\$150,000.00), into  
452 retirement.

453 (b) \* \* \* Schedule of life insurance benefits--group  
454 term: The amount of term life insurance available for purchase  
455 for each active employee of any school district, community/junior  
456 college, public library, university-based program authorized under  
457 Section 37-23-31 for deaf, aphasic and emotionally disturbed  
458 children, or any regular nonstudent bus driver shall \* \* \* be  
459 either Twenty-five Thousand Dollars (\$25,000.00), Fifty Thousand  
460 Dollars (\$50,000.00), Seventy-five Thousand Dollars (\$75,000.00)  
461 or One Hundred Thousand Dollars (\$100,000.00), \* \* \* with a like  
462 amount for accidental death and dismemberment on a  
463 twenty-four-hour basis. The plan will further contain a premium  
464 waiver provision if a covered employee of any school district,  
465 community/junior college, public library, university-based program  
466 authorized under Section 37-23-31 for deaf, aphasic and  
467 emotionally disturbed children, or any regular nonstudent bus  
468 driver becomes totally and permanently disabled before age seventy  
469 (70) years. Employees retiring after June 30, 2006, shall be  
470 eligible to continue life insurance coverage in the amount of  
471 coverage that he had or was eligible for as an active employee, up  
472 to a maximum coverage of One Hundred Fifty Thousand Dollars  
473 (\$150,000.00), into retirement.

474 (4) Any eligible employee who on March 1, 1971, was  
475 participating in a group life insurance program that has  
476 provisions different from those included in this section and for  
477 which the State of Mississippi was paying a part of the premium  
478 may, at his discretion, continue to participate in that plan. The  
479 employee shall pay in full all additional costs, if any, above the  
480 minimum program established by this article. Under no  
481 circumstances shall any individual who begins employment with the  
482 state after March 1, 1971, be eligible for the provisions of this  
483 subsection.

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

486           (6) Any premium differentials, differences in coverages,  
487 discounts determined by risk or by any other factors shall be  
488 uniformly applied to all active employees participating in the  
489 insurance plan. It is the intent of the Legislature that the  
490 state contribution to the plan be the same for each employee  
491 throughout the state.

492           (7) On October 1, 1999, any school district,  
493 community/junior college district or public library may elect to  
494 remain with an existing policy or policies of group life insurance  
495 with an insurance company approved by the State and School  
496 Employees Health Insurance Management Board, in lieu of  
497 participation in the State and School Life Insurance Plan. On or  
498 after July 1, 2004, until October 1, 2004, any school district,  
499 community/junior college district or public library may elect to  
500 choose a policy or policies of group life insurance existing on  
501 October 1, 1999, with an insurance company approved by the State  
502 and School Employees Health Insurance Management Board in lieu of  
503 participation in the State and School Life Insurance Plan. The  
504 state's contribution of up to fifty percent (50%) of the active  
505 employee's premium under the State and School Life Insurance Plan  
506 may be applied toward the cost of coverage for full-time employees  
507 participating in the approved life insurance company group plan.  
508 For purposes of this subsection (7), "life insurance company group  
509 plan" means a plan administered or sold by a private insurance  
510 company. After October 1, 1999, the board may assess charges in  
511 addition to the existing State and School Life Insurance Plan  
512 rates to those employees as a condition of enrollment in the State  
513 and School Life Insurance Plan. In order for any life insurance  
514 company group plan to be approved by the State and School  
515 Employees Health Insurance Management Board under this subsection  
516 (7), it shall meet the following criteria:

517           (a) The insurance company offering the group life  
518 insurance plan shall be rated "A-" or better by A.M. Best state

519 insurance rating service and be licensed as an admitted carrier in  
520 the State of Mississippi by the Mississippi Department of  
521 Insurance.

522 (b) The insurance company group life insurance plan  
523 shall provide the same life insurance, accidental death and  
524 dismemberment insurance and waiver of premium benefits as provided  
525 in the State and School Life Insurance Plan.

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

529 (d) The insurance company group life insurance plan  
530 shall have one (1) composite rate per One Thousand Dollars  
531 (\$1,000.00) of coverage for active employees regardless of age.

532 (e) The insurance company and its group life insurance  
533 plan shall comply with any administrative requirements of the  
534 State and School Employees Health Insurance Management Board. If  
535 any insurance company providing group life insurance benefits to  
536 employees under this subsection (7) fails to comply with any  
537 requirements specified in this subsection or any administrative  
538 requirements of the board, the state shall discontinue providing  
539 funding for the cost of that insurance.

540 **SECTION 2.** This act shall take effect and be in force from  
541 and after July 1, 2006.