

By: Senator(s) Dearing

To: Insurance;
Appropriations

SENATE BILL NO. 2079

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 INCREASE THE AMOUNTS OF LIFE INSURANCE FOR WHICH RETIREES ARE
3 ELIGIBLE UNDER THE STATE AND SCHOOL EMPLOYEES LIFE INSURANCE PLAN;
4 TO REVISE THE DEFINITION OF THE TERM "ANNUAL WAGE" AS IT RELATES
5 TO THE STATE AND SCHOOL EMPLOYEES LIFE INSURANCE PLAN; AND FOR
6 RELATED PURPOSES.

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

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

10 **[Through June 30 of the year in which Section 25-11-143**
11 **becomes effective as provided in subsection (1) of Section**
12 **25-11-143, this section shall read as follows:]**

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

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

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

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

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

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

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

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

150 (e) **Medical benefits for retired employees and**
151 **dependents over age sixty-five (65) years or otherwise eligible**
152 **for Medicare benefits.** For employees who retire before July 1,
153 2005, and for employees retiring due to work-related disability
154 under the Public Employees' Retirement System, the health
155 insurance coverage available to retired employees over age
156 sixty-five (65) years or otherwise eligible for Medicare benefits,
157 and all dependents over age sixty-five (65) years or otherwise
158 eligible for Medicare benefits, shall be the major medical
159 coverage with the lifetime maximum of One Million Dollars
160 (\$1,000,000.00). For employees retiring on or after July 1, 2005,

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

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

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

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

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

187 (3) (a) Schedule of life insurance benefits--group term:
188 The amount of term life insurance for each active employee of a
189 department, agency or institution of the state government shall
190 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
191 twice the amount of the employee's annual wage to the next highest
192 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
193 case less than Thirty Thousand Dollars (\$30,000.00), with a like

194 amount for accidental death and dismemberment on a
195 twenty-four-hour basis. The plan will further contain a premium
196 waiver provision if a covered employee becomes totally and
197 permanently disabled prior to age sixty-five (65) years.
198 Employees retiring after June 30, 1999, shall be eligible to
199 continue life insurance coverage in an amount of Ten Thousand
200 Dollars (\$10,000.00), Twenty-five Thousand Dollars (\$25,000.00) or
201 One Hundred Thousand Dollars (\$100,000.00) into retirement.

202 (b) Effective October 1, 1999, schedule of life
203 insurance benefits--group term: The amount of term life insurance
204 for each active employee of any school district, community/junior
205 college, public library or university-based program authorized
206 under Section 37-23-31 for deaf, aphasic and emotionally disturbed
207 children or any regular nonstudent bus driver shall not be in
208 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
209 amount of the employee's annual wage to the next highest One
210 Thousand Dollars (\$1,000.00), whichever may be less, but in no
211 case less than Thirty Thousand Dollars (\$30,000.00), with a like
212 amount for accidental death and dismemberment on a
213 twenty-four-hour basis. The plan will further contain a premium
214 waiver provision if a covered employee of any school district,
215 community/junior college, public library or university-based
216 program authorized under Section 37-23-31 for deaf, aphasic and
217 emotionally disturbed children or any regular nonstudent bus
218 driver becomes totally and permanently disabled prior to age
219 sixty-five (65) years. Employees of any school district,
220 community/junior college, public library or university-based
221 program authorized under Section 37-23-31 for deaf, aphasic and
222 emotionally disturbed children or any regular nonstudent bus
223 driver retiring after September 30, 1999, shall be eligible to
224 continue life insurance coverage in an amount of Ten Thousand
225 Dollars (\$10,000.00), Twenty-five Thousand Dollars (\$25,000.00) or
226 One Hundred Thousand Dollars (\$100,000.00) into retirement.

227 (c) For the purposes of this subsection (3), the term
228 "annual wage" shall mean the amount listed as social security
229 wages on the employee's W-2 Form for the prior calendar year, or
230 the employee's current annual salary if the employee has been
231 employed for less than one (1) calendar year.

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

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

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

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

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

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

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

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

286 (d) The insurance company group life insurance plan
287 shall have one (1) composite rate per One Thousand Dollars
288 (\$1,000.00) of coverage for active employees regardless of age and
289 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
290 coverage for all retirees regardless of age or type of retiree.

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

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

299 **[From and after July 1 of the year in which Section 25-11-143**
300 **becomes effective as provided in subsection (1) of Section**
301 **25-11-143, this section shall read as follows:]**

302 25-15-9. (1) (a) The board shall design a plan of health
303 insurance for state employees that provides benefits for
304 semiprivate rooms in addition to other incidental coverages that
305 the board deems necessary. The amount of the coverages shall be
306 in such reasonable amount as may be determined by the board to be
307 adequate, after due consideration of current health costs in
308 Mississippi. The plan shall also include major medical benefits
309 in such amounts as the board shall determine. The board is also
310 authorized to accept bids for such alternate coverage and optional
311 benefits as the board deems proper. Any contract for alternative
312 coverage and optional benefits shall be awarded by the board after
313 it has carefully studied and evaluated the bids and selected the
314 best and most cost-effective bid. The board may reject all such
315 bids; however, the board shall notify all bidders of the rejection
316 and shall actively solicit new bids if all bids are rejected. The
317 board may employ or contract for such consulting or actuarial
318 services as may be necessary to formulate the plan, and to assist
319 the board in the preparation of specifications and in the process
320 of advertising for the bids for the plan. Those contracts shall
321 be solicited and entered into in accordance with Section 25-15-5.
322 The board shall keep a record of all persons, agents and
323 corporations who contract with or assist the board in preparing
324 and developing the plan. The board in a timely manner shall
325 provide copies of this record to the members of the advisory

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

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

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

359 number, provider number, provider name, service dates, type of
360 services, amount of charges, amount allowed to the claimant and
361 reason codes. The information contained in the explanation of
362 benefits shall be available for inspection upon request by the
363 board. The board shall have access to all claims information
364 utilized in the issuance of payments to employees and providers.

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

386 The Lieutenant Governor may designate the Secretary of the
387 Senate, the Chairman of the Senate Appropriations Committee, the
388 Chairman of the Senate Education Committee and the Chairman of the
389 Senate Insurance Committee, and the Speaker of the House of
390 Representatives may designate the Clerk of the House, the Chairman
391 of the House Appropriations Committee, the Chairman of the House

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

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

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

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

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

427 Benefits for hospital or surgical or medical benefits shall
428 be reduced by any similar benefits payable by workers'
429 compensation.

430 (3) (a) Schedule of life insurance benefits--group term:
431 The amount of term life insurance for each active employee of a
432 department, agency or institution of the state government shall
433 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
434 twice the amount of the employee's annual wage to the next highest
435 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
436 case less than Thirty Thousand Dollars (\$30,000.00), with a like
437 amount for accidental death and dismemberment on a
438 twenty-four-hour basis. Employees retiring after June 30, 1999,
439 shall be eligible to continue life insurance coverage in an amount
440 of Ten Thousand (\$10,000.00), Twenty-five Thousand Dollars
441 (\$25,000.00), Fifty Thousand Dollars (\$50,000.00) or One Hundred
442 Thousand Dollars (\$100,000.00) into retirement.

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. Employees of any school district,
461 community/junior college, public library or university-based
462 program authorized under Section 37-23-31 for deaf, aphasic and
463 emotionally disturbed children or any regular nonstudent bus
464 driver retiring after September 30, 1999, shall be eligible to
465 continue life insurance coverage in an amount of Ten Thousand
466 Dollars (\$10,000.00), Twenty-five Thousand Dollars (\$25,000.00),
467 Fifty Thousand Dollars (\$50,000.00) or One Hundred Thousand
468 Dollars (\$100,000.00) into retirement.

469 (c) For the purposes of this subsection (3), the term
470 "annual wage" shall mean the amount listed as social security
471 wages on the employee's W-2 Form for the prior calendar year, or
472 the employee's current annual salary if the employee has been
473 employed for less than one (1) calendar year.

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.