

By: Representative Evans

To: Municipalities; County  
Affairs

HOUSE BILL NO. 761

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

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

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

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



30 year, school districts shall provide the policies of group  
31 insurance to certificated personnel. Beginning October 1, 2003,  
32 municipalities and counties shall provide one hundred percent  
33 (100%) of the cost of health, accident and hospitalization  
34 insurance and disability insurance for their full-time fire  
35 fighters and law enforcement officers and fifty percent (50%) of  
36 the cost of health, accident and hospitalization insurance and  
37 disability insurance for their retired fire fighters and law  
38 enforcement officers. Any employee who desires to reallocate or  
39 reduce any part of his or her salary or wages for a cafeteria  
40 fringe benefit plan in accordance with current requirements of  
41 Section 125 et seq. of the Internal Revenue Code for himself or  
42 herself and/or for his or her dependent(s) shall authorize, in  
43 writing, the deduction from the salary or wages of such employee  
44 the proportionate part of the costs thereof attributable to such  
45 employee. Any amount so deducted shall be transferred into the  
46 general fund or contingent fund of such county or municipality, or  
47 the operating fund of such institution, department or agency of  
48 the county or municipality, or the maintenance fund of such  
49 municipal separate school district, other school district or  
50 junior college district, as the case may be, and shall be  
51 supplemented by funds from the general fund, contingent fund,  
52 maintenance fund, or operating fund, as the case may be, in an  
53 amount to be determined by the governing board or head of such  
54 political subdivision, school district, junior college district,  
55 institution, department or agency, in their discretion, in order  
56 to pay the full costs. In no instances shall the amount of  
57 contributions by any governing board or head of a political  
58 subdivision, school district, junior college district,  
59 institution, department or agency hereinabove mentioned exceed an  
60 average of one hundred percent (100%) of the cost of all such  
61 group coverages for employees.



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

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

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



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

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



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

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

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

141           **SECTION 2.** This act shall take effect and be in force from  
142 and after July 1, 2003.

