

By: Senator(s) Dearing

To: Fees, Salaries and  
Administration;  
Appropriations

SENATE BILL NO. 2058

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.** The same health insurance coverage as for all  
131 other active employees and their dependents shall be available to  
132 retired employees and all dependents under age sixty-five (65)  
133 years who are not eligible for Medicare benefits, the level of  
134 benefits to be the same level as for all other active  
135 participants. This section will apply to those employees who  
136 retire due to one hundred percent (100%) medical disability as  
137 well as those employees electing early retirement.

138           (e) **Medical benefits for retired employees and**  
139 **dependents over age sixty-five (65) years or otherwise eligible**  
140 **for Medicare benefits.** The health insurance coverage available to  
141 retired employees over age sixty-five (65) years or otherwise  
142 eligible for Medicare benefits, and all dependents over age  
143 sixty-five (65) years or otherwise eligible for Medicare benefits,  
144 shall be the major medical coverage with the lifetime maximum of  
145 One Million Dollars (\$1,000,000.00). Benefits shall be reduced by  
146 Medicare benefits as though such Medicare benefits were the base  
147 plan.

148           All covered individuals shall be assumed to have full  
149 Medicare coverage, Parts A and B; and any Medicare payments under  
150 both Parts A and B shall be computed to reduce benefits payable  
151 under this plan.

152           (2) Nonduplication of benefits--reduction of benefits by  
153 Title XIX benefits: When benefits would be payable under more  
154 than one (1) group plan, benefits under those plans will be  
155 coordinated to the extent that the total benefits under all plans  
156 will not exceed the total expenses incurred.

157           Benefits for hospital or surgical or medical benefits shall  
158 be reduced by any similar benefits payable in accordance with  
159 Title XIX of the Social Security Act or under any amendments  
160 thereto, or any implementing legislation.

161 Benefits for hospital or surgical or medical benefits shall  
162 be reduced by any similar benefits payable by workers'  
163 compensation.

164 (3) (a) Schedule of life insurance benefits--group term:  
165 The amount of term life insurance for each active employee of a  
166 department, agency or institution of the state government shall  
167 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
168 twice the amount of the employee's annual wage to the next highest  
169 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
170 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
171 amount for accidental death and dismemberment on a  
172 twenty-four-hour basis. The plan will further contain a premium  
173 waiver provision if a covered employee becomes totally and  
174 permanently disabled prior to age sixty-five (65) years.  
175 Employees retiring after June 30, 1999, shall be eligible to  
176 continue life insurance coverage in an amount of Ten Thousand  
177 Dollars (\$10,000.00), Twenty-five Thousand Dollars (\$25,000.00) or  
178 One Hundred Thousand Dollars (\$100,000.00) into retirement.

179 (b) Effective October 1, 1999, schedule of life  
180 insurance benefits--group term: The amount of term life insurance  
181 for each active employee of any school district, community/junior  
182 college, public library or university-based program authorized  
183 under Section 37-23-31 for deaf, aphasic and emotionally disturbed  
184 children or any regular nonstudent bus driver shall not be in  
185 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the  
186 amount of the employee's annual wage to the next highest One  
187 Thousand Dollars (\$1,000.00), whichever may be less, but in no  
188 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
189 amount for accidental death and dismemberment on a  
190 twenty-four-hour basis. The plan will further contain a premium  
191 waiver provision if a covered employee of any school district,  
192 community/junior college, public library or university-based  
193 program authorized under Section 37-23-31 for deaf, aphasic and

194 emotionally disturbed children or any regular nonstudent bus  
195 driver becomes totally and permanently disabled prior to age  
196 sixty-five (65) years. Employees of any school district,  
197 community/junior college, public library or university-based  
198 program authorized under Section 37-23-31 for deaf, aphasic and  
199 emotionally disturbed children or any regular nonstudent bus  
200 driver retiring after September 30, 1999, shall be eligible to  
201 continue life insurance coverage in an amount of Ten Thousand  
202 Dollars (\$10,000.00), Twenty-five Thousand Dollars (\$25,000.00) or  
203 One Hundred Thousand Dollars (\$100,000.00) into retirement.

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

209 (4) Any eligible employee who on March 1, 1971, was  
210 participating in a group life insurance program which has  
211 provisions different from those included herein and for which the  
212 State of Mississippi was paying a part of the premium may, at his  
213 discretion, continue to participate in such plan. Such employee  
214 shall pay in full all additional costs, if any, above the minimum  
215 program established by this article. Under no circumstances shall  
216 any individual who begins employment with the state after March 1,  
217 1971, be eligible for the provisions of this paragraph.

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

220 (6) Any premium differentials, differences in coverages,  
221 discounts determined by risk or by any other factors shall be  
222 uniformly applied to all active employees participating in the  
223 insurance plan. It is the intent of the Legislature that the  
224 state contribution to the plan be the same for each employee  
225 throughout the state.

226           (7) On October 1, 1999, any school district,  
227 community/junior college district or public library may elect to  
228 remain with an existing policy or policies of group life insurance  
229 with an insurance company approved by the State and School  
230 Employees Health Insurance Management Board, in lieu of  
231 participation in the State and School Life Insurance Plan. The  
232 state's contribution of up to fifty percent (50%) of the active  
233 employee's premium under the State and School Life Insurance Plan  
234 may be applied toward the cost of coverage for full-time employees  
235 participating in the approved life insurance company group plan.  
236 For purposes of this subsection (7), "life insurance company group  
237 plan" means a plan administered or sold by a private insurance  
238 company. After October 1, 1999, the board may assess charges in  
239 addition to the existing State and School Life Insurance Plan  
240 rates to such employees as a condition of enrollment in the State  
241 and School Life Insurance Plan. In order for any life insurance  
242 company group plan existing as of October 1, 1999, to be approved  
243 by the State and School Employees Health Insurance Management  
244 Board under this subsection (7), it shall meet the following  
245 criteria:

246           (a) The insurance company offering the group life  
247 insurance plan shall be rated "A-" or better by A.M. Best state  
248 insurance rating service and be licensed as an admitted carrier in  
249 the State of Mississippi by the Mississippi Department of  
250 Insurance.

251           (b) The insurance company group life insurance plan  
252 shall provide the same life insurance, accidental death and  
253 dismemberment insurance and waiver of premium benefits as provided  
254 in the State and School Life Insurance Plan.

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



258           (d) The insurance company group life insurance plan  
259 shall have one (1) composite rate per One Thousand Dollars  
260 (\$1,000.00) of coverage for active employees regardless of age and  
261 one (1) composite rate per One Thousand Dollars (\$1,000.00) of  
262 coverage for all retirees regardless of age or type of retiree.

263           (e) The insurance company and its group life insurance  
264 plan shall comply with any administrative requirements of the  
265 State and School Employees Health Insurance Management Board. In  
266 the event any insurance company providing group life insurance  
267 benefits to employees under this subsection (7) fails to comply  
268 with any requirements specified herein or any administrative  
269 requirements of the board, the state shall discontinue providing  
270 funding for the cost of such insurance.

271           **[From and after July 1 of the year in which Section 25-11-143**  
272 **becomes effective as provided in subsection (1) of Section**  
273 **25-11-143, this section shall read as follows:]**

274           25-15-9. (1) (a) The board shall design a plan of health  
275 insurance for state employees that provides benefits for  
276 semiprivate rooms in addition to other incidental coverages that  
277 the board deems necessary. The amount of the coverages shall be  
278 in such reasonable amount as may be determined by the board to be  
279 adequate, after due consideration of current health costs in  
280 Mississippi. The plan shall also include major medical benefits  
281 in such amounts as the board shall determine. The board is also  
282 authorized to accept bids for such alternate coverage and optional  
283 benefits as the board deems proper. Any contract for alternative  
284 coverage and optional benefits shall be awarded by the board after  
285 it has carefully studied and evaluated the bids and selected the  
286 best and most cost-effective bid. The board may reject all such  
287 bids; however, the board shall notify all bidders of the rejection  
288 and shall actively solicit new bids if all bids are rejected. The  
289 board may employ or contract for such consulting or actuarial  
290 services as may be necessary to formulate the plan, and to assist

291 the board in the preparation of specifications and in the process  
292 of advertising for the bids for the plan. Those contracts shall  
293 be solicited and entered into in accordance with Section 25-15-5.  
294 The board shall keep a record of all persons, agents and  
295 corporations who contract with or assist the board in preparing  
296 and developing the plan. The board in a timely manner shall  
297 provide copies of this record to the members of the advisory  
298 council created in this section and those legislators, or their  
299 designees, who may attend meetings of the advisory council. The  
300 board shall provide copies of this record in the solicitation of  
301 bids for the administration or servicing of the self-insured  
302 program. Each person, agent or corporation that, during the  
303 previous fiscal year, has assisted in the development of the plan  
304 or employed or compensated any person who assisted in the  
305 development of the plan, and that bids on the administration or  
306 servicing of the plan, shall submit to the board a statement  
307 accompanying the bid explaining in detail its participation with  
308 the development of the plan. This statement shall include the  
309 amount of compensation paid by the bidder to any such employee  
310 during the previous fiscal year. The board shall make all such  
311 information available to the members of the advisory council and  
312 those legislators, or their designees, who may attend meetings of  
313 the advisory council before any action is taken by the board on  
314 the bids submitted. The failure of any bidder to fully and  
315 accurately comply with this paragraph shall result in the  
316 rejection of any bid submitted by that bidder or the cancellation  
317 of any contract executed when the failure is discovered after the  
318 acceptance of that bid. The board is authorized to promulgate  
319 rules and regulations to implement the provisions of this  
320 subsection.

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

324 Any corporation, association, company or individual that  
325 contracts with the board for the third-party claims administration  
326 of the self-insured plan shall prepare and keep on file an  
327 explanation of benefits for each claim processed. The explanation  
328 of benefits shall contain such information relative to each  
329 processed claim which the board deems necessary, and, at a  
330 minimum, each explanation shall provide the claimant's name, claim  
331 number, provider number, provider name, service dates, type of  
332 services, amount of charges, amount allowed to the claimant and  
333 reason codes. The information contained in the explanation of  
334 benefits shall be available for inspection upon request by the  
335 board. The board shall have access to all claims information  
336 utilized in the issuance of payments to employees and providers.

337 (b) There is created an advisory council to advise the  
338 board in the formulation of the State and School Employees Health  
339 Insurance Plan. The council shall be composed of the State  
340 Insurance Commissioner or his designee, an employee-representative  
341 of the state institutions of higher learning appointed by the  
342 board of trustees thereof, an employee-representative of the  
343 Mississippi Department of Transportation appointed by the director  
344 thereof, an employee-representative of the State Tax Commission  
345 appointed by the Commissioner of Revenue, an  
346 employee-representative of the State Department of Health  
347 appointed by the State Health Officer, an employee-representative  
348 of the Mississippi Department of Corrections appointed by the  
349 Commissioner of Corrections, and an employee-representative of the  
350 Mississippi Department of Human Services appointed by the  
351 Executive Director of Human Services, two (2) certificated public  
352 school administrators appointed by the State Board of Education,  
353 two (2) certificated classroom teachers appointed by the State  
354 Board of Education, a noncertificated school employee appointed by  
355 the State Board of Education and a community/junior college

356 employee appointed by the State Board for Community and Junior  
357 Colleges.

358         The Lieutenant Governor may designate the Secretary of the  
359 Senate, the Chairman of the Senate Appropriations Committee, the  
360 Chairman of the Senate Education Committee and the Chairman of the  
361 Senate Insurance Committee, and the Speaker of the House of  
362 Representatives may designate the Clerk of the House, the Chairman  
363 of the House Appropriations Committee, the Chairman of the House  
364 Education Committee and the Chairman of the House Insurance  
365 Committee, to attend any meeting of the State and School Employees  
366 Insurance Advisory Council. The appointing authorities may  
367 designate an alternate member from their respective houses to  
368 serve when the regular designee is unable to attend such meetings  
369 of the council. Those designees shall have no jurisdiction or  
370 vote on any matter within the jurisdiction of the council. For  
371 attending meetings of the council, those legislators shall receive  
372 per diem and expenses, which shall be paid from the contingent  
373 expense funds of their respective houses in the same amounts as  
374 provided for committee meetings when the Legislature is not in  
375 session; however, no per diem and expenses for attending meetings  
376 of the council will be paid while the Legislature is in session.  
377 No per diem and expenses will be paid except for attending  
378 meetings of the council without prior approval of the proper  
379 committee in their respective houses.

380         (c) No change in the terms of the State and School  
381 Employees Health Insurance Plan may be made effective unless the  
382 board, or its designee, has provided notice to the State and  
383 School Employees Health Insurance Advisory Council and has called  
384 a meeting of the council at least fifteen (15) days before the  
385 effective date of the change. If the State and School Employees  
386 Health Insurance Advisory Council does not meet to advise the  
387 board on the proposed changes, the changes to the plan will become

388 effective at such time as the board has informed the council that  
389 the changes will become effective.

390 (2) Nonduplication of benefits--reduction of benefits by  
391 Title XIX benefits: When benefits would be payable under more  
392 than one (1) group plan, benefits under those plans will be  
393 coordinated to the extent that the total benefits under all plans  
394 will not exceed the total expenses incurred.

395 Benefits for hospital or surgical or medical benefits shall  
396 be reduced by any similar benefits payable in accordance with  
397 Title XIX of the Social Security Act or under any amendments  
398 thereto, or any implementing legislation.

399 Benefits for hospital or surgical or medical benefits shall  
400 be reduced by any similar benefits payable by workers'  
401 compensation.

402 (3) (a) Schedule of life insurance benefits--group term:  
403 The amount of term life insurance for each active employee of a  
404 department, agency or institution of the state government shall  
405 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
406 twice the amount of the employee's annual wage to the next highest  
407 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
408 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
409 amount for accidental death and dismemberment on a  
410 twenty-four-hour basis. Employees retiring after June 30, 1999,  
411 shall be eligible to continue life insurance coverage in an amount  
412 of Ten Thousand (\$10,000.00), Twenty-five Thousand Dollars  
413 (\$25,000.00), Fifty Thousand Dollars (\$50,000.00) or One Hundred  
414 Thousand Dollars (\$100,000.00) into retirement.

415 (b) Effective October 1, 1999, schedule of life  
416 insurance benefits--group term: The amount of term life insurance  
417 for each active employee of any school district, community/junior  
418 college, public library, university-based program authorized under  
419 Section 37-23-31 for deaf, aphasic and emotionally disturbed  
420 children, or any regular nonstudent bus driver shall not be in

421 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the  
422 amount of the employee's annual wage to the next highest One  
423 Thousand Dollars (\$1,000.00), whichever may be less, but in no  
424 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
425 amount for accidental death and dismemberment on a  
426 twenty-four-hour basis. The plan will further contain a premium  
427 waiver provision if a covered employee of any school district,  
428 community/junior college, public library, university-based program  
429 authorized under Section 37-23-31 for deaf, aphasic and  
430 emotionally disturbed children, or any regular nonstudent bus  
431 driver becomes totally and permanently disabled before age  
432 sixty-five (65) years. Employees of any school district,  
433 community/junior college, public library or university-based  
434 program authorized under Section 37-23-31 for deaf, aphasic and  
435 emotionally disturbed children or any regular nonstudent bus  
436 driver retiring after September 30, 1999, shall be eligible to  
437 continue life insurance coverage in an amount of Ten Thousand  
438 Dollars (\$10,000.00), Twenty-five Thousand Dollars (\$25,000.00),  
439 Fifty Thousand Dollars (\$50,000.00) or One Hundred Thousand  
440 Dollars (\$100,000.00) into retirement.

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

446 (4) Any eligible employee who on March 1, 1971, was  
447 participating in a group life insurance program that has  
448 provisions different from those included in this section and for  
449 which the State of Mississippi was paying a part of the premium  
450 may, at his discretion, continue to participate in that plan. The  
451 employee shall pay in full all additional costs, if any, above the  
452 minimum program established by this article. Under no  
453 circumstances shall any individual who begins employment with the

454 state after March 1, 1971, be eligible for the provisions of this  
455 paragraph.

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

458 (6) Any premium differentials, differences in coverages,  
459 discounts determined by risk or by any other factors shall be  
460 uniformly applied to all active employees participating in the  
461 insurance plan. It is the intent of the Legislature that the  
462 state contribution to the plan be the same for each employee  
463 throughout the state.

464 (7) On October 1, 1999, any school district,  
465 community/junior college district or public library may elect to  
466 remain with an existing policy or policies of group life insurance  
467 with an insurance company approved by the State and School  
468 Employees Health Insurance Management Board, in lieu of  
469 participation in the State and School Life Insurance Plan. The  
470 state's contribution of up to fifty percent (50%) of the active  
471 employee's premium under the State and School Life Insurance Plan  
472 may be applied toward the cost of coverage for full-time employees  
473 participating in the approved life insurance company group plan.  
474 For purposes of this subsection (7), "life insurance company group  
475 plan" means a plan administered or sold by a private insurance  
476 company. After October 1, 1999, the board may assess charges in  
477 addition to the existing State and School Life Insurance Plan  
478 rates to those employees as a condition of enrollment in the State  
479 and School Life Insurance Plan. In order for any life insurance  
480 company group plan existing as of October 1, 1999, to be approved  
481 by the State and School Employees Health Insurance Management  
482 Board under this subsection (7), it shall meet the following  
483 criteria:

484 (a) The insurance company offering the group life  
485 insurance plan shall be rated "A-" or better by A.M. Best state  
486 insurance rating service and be licensed as an admitted carrier in

487 the State of Mississippi by the Mississippi Department of  
488 Insurance.

489 (b) The insurance company group life insurance plan  
490 shall provide the same life insurance, accidental death and  
491 dismemberment insurance and waiver of premium benefits as provided  
492 in the State and School Life Insurance Plan.

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

496 (d) The insurance company group life insurance plan  
497 shall have one (1) composite rate per One Thousand Dollars  
498 (\$1,000.00) of coverage for active employees regardless of age.

499 (e) The insurance company and its group life insurance  
500 plan shall comply with any administrative requirements of the  
501 State and School Employees Health Insurance Management Board. If  
502 any insurance company providing group life insurance benefits to  
503 employees under this subsection (7) fails to comply with any  
504 requirements specified in this subsection or any administrative  
505 requirements of the board, the state shall discontinue providing  
506 funding for the cost of that insurance.

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