

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE ENROLLED ACT No. 2041

AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 2-3-3-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: **Sec. 2.5. (a) For purposes of this section, "employer" refers to an employer that is any of the following:**

- (1) **A political subdivision (as defined in IC 36-1-2-13).**
- (2) **A state educational institution.**
- (b) **An employer of an individual who is a member of the general assembly shall provide to the individual at all times during which the individual is serving as a member of the general assembly:**
 - (1) **the same insurance and other benefits; and**
 - (2) **at the same cost to the individual;****as is provided to the individual by the employer when the individual is not serving as a member of the general assembly.**

SECTION 2. IC 20-5-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:

Chapter 2.5. School Corporation Self-Insurance Programs

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Sec. 1. (a) As used in this chapter, "health care services" has the meaning set forth in IC 27-8-11-1.

(b) As used in this chapter, "self-insurance program" means a program of self-insurance established or maintained by a governing body to provide coverage for health care services to a school corporation's employees and the employees' dependents.

Sec. 2. Subject to IC 20-5-2-2(14) and IC 21-2-5.6 and notwithstanding any other law, any self-insurance program must comply with this chapter.

Sec. 3. (a) A self insurance program must provide for appeals to a review panel to:

- (1)** hear complaints; and
- (2)** resolve concerns;

regarding issues related to coverage, coverage discrimination, and access under the self-insurance program.

(b) The composition of the review panel under subsection (a):

- (1)** must reflect the populations covered under the self-insurance program;
- (2)** may include a member representative of each covered population; and
- (3)** must maintain a balance of administration and non-administration members.

(c) Self-insurance program documents provided to individuals covered under the self-insurance program must specify the appeal process including the name, address, and telephone number of the individual with whom an appeal may be filed.

Sec. 4. (a) A self-insurance program must be written on an incurred claims basis.

(b) The governing body must fund a self-insurance program as described in IC 21-2-5.6-1(2) to include coverage for all eligible incurred claims.

(c) Subject to IC 21-2-5.6 and notwithstanding any other law:

- (1)** contributions made on behalf of individuals covered under the self-insurance program, including employee and employer contributions; and
- (2)** transfers or allocations of funds by a governing body;

for coverage for health care services under a self-insurance program must be directly deposited into the self-insurance fund established under IC 21-2-5.6-1(2) and may not be transferred to other accounts or expended for any other purpose.

(d) Interest earned on funds deposited in the self-insurance fund under subsection (c) must be deposited in the self-insurance fund



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and may not be transferred to other accounts or expended for any other purpose.

SECTION 3. IC 21-2-5.6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. The governing body of each school corporation: ~~in the state~~

(1) may establish a self-insurance fund in accord with this chapter **for the purposes described in:**

(A) **section 2(1) through 2(3) of this chapter; and**

(B) **section 2(4) of this chapter as section 2(4) of this chapter applies to governing body or school employee coverages other than coverage for health care services (as defined in IC 27-8-11-1); and**

(2) **shall, if the governing body elects to provide a self-insurance program to cover health care services (as defined in IC 27-8-11-1), establish a self-insurance fund under this chapter for the purposes described in section 2(4) of this chapter as section 2(4) of this chapter applies to health care services (as defined in IC 27-8-11-1).**

SECTION 4. IC 21-2-5.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. **This section applies to self-insurance funds permitted to be established under section 1(1) of this chapter and self-insurance funds required to be established under section 1(2) of this chapter.** Subject to the approval of the commissioner of the department of insurance, the governing body of the school corporation ~~may:~~ **is authorized to:**

(1) ~~for eventual transfer to the self-insurance fund include~~ an amount of money in:

(A) the general fund budget, and

(B) the general fund tax levy and rate;

(2) transfer monies from the general fund to the self-insurance fund; or

(3) appropriate monies from the general fund for the self-insurance fund.

SECTION 5. [EFFECTIVE JULY 1, 1999] (a) **IC 20-5-2.5, as added by this act, applies to self-insurance programs established, renewed, or in effect after January 1, 2001.**

(b) **This SECTION expires July 1, 2004.**

SECTION 6. **An emergency is declared for this act.**

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