
HOUSE BILL No. 1157

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-2.8; IC 20-5; IC 21-2-5.6-2.

Synopsis: School corporation insurance. Requires the state personnel department, in cooperation with the department of insurance (DOI), to implement a pilot project through which active and retired employees of ten school corporations chosen by the DOI participate in the state employee health benefit plan. Prohibits the state from paying any part of the cost of the school corporation employee coverage. Sets forth provisions allowing school corporations to enter into interlocal agreements to establish a cooperative risk management program to provide for coverage of certain risks of the school corporations.

Effective: Upon passage; July 1, 2004.

Fry, Oxley

January 13, 2004, read first time and referred to Committee on Education.

C
O
P
Y



Second Regular Session 113th General Assembly (2004)

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 2003 Regular Session of the General Assembly.

C
o
p
y

HOUSE BILL No. 1157



A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

- 1 SECTION 1. IC 5-10-8-2.8 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2004]: **Sec. 2.8. (a) As used in this section, "pilot project" refers**
- 4 **to the school corporation health benefit pilot project established by**
- 5 **the state personnel department under subsection (d).**
- 6 **(b) As used in this section, "state employee health plan" means:**
- 7 **(1) the self-insurance program established by the state**
- 8 **personnel department under section 7(b) of this chapter; or**
- 9 **(2) a contract with a prepaid health care delivery plan entered**
- 10 **into by the state personnel department under section 7(c) of**
- 11 **this chapter.**
- 12 **(c) Notwithstanding any other law, a school corporation may:**
- 13 **(1) apply to participate in the pilot project; and**
- 14 **(2) if chosen by the department of insurance, participate in**
- 15 **the pilot project.**
- 16 **(d) The state personnel department, in cooperation with the**
- 17 **department of insurance, shall develop and implement a school**



- 1 corporation health benefit pilot project. The pilot project:
- 2 (1) must enable ten (10) school corporations that:
- 3 (A) apply for participation in the project; and
- 4 (B) are chosen by the department of insurance;
- 5 to provide coverage of health care services for active and
- 6 retired employees of the school corporation under a state
- 7 employee health plan that covers active state employees and
- 8 is chosen by the school corporation; and
- 9 (2) must be established not later than January 1, 2005.
- 10 (e) The pilot project must do the following:
- 11 (1) Specify participation requirements, including minimum
- 12 participation and contribution requirements, and an
- 13 application process for school corporations that wish to apply.
- 14 (2) Provide for the department of insurance to choose ten (10)
- 15 eligible school corporations for participation in the project.
- 16 (3) Provide for enrollment of the active and retired employees
- 17 of the participating school corporations in a state employee
- 18 health plan not later than June 30, 2005.
- 19 (4) Provide for coverage of the active and retired employees
- 20 of the participating school corporations under the state
- 21 employee health plan until a date not earlier than June 30,
- 22 2010, and not later than December 31, 2010.
- 23 (5) Require the state personnel department to provide to the
- 24 legislative council in an electronic format under IC 5-14-6:
- 25 (A) an annual report not later than July 1 of each year;
- 26 and
- 27 (B) a final report, including aggregate information, not
- 28 later than July 1, 2011;
- 29 concerning the effect of the participation in the state employee
- 30 health plan by the active and retired employees of the school
- 31 corporation employees, including the effect on premium rates,
- 32 costs to the state and to the school corporations, and any other
- 33 information determined relevant by the legislative council.
- 34 (6) Conclude insurance coverage not later than December 31,
- 35 2010.
- 36 (f) A school corporation that participates in the pilot project
- 37 under this section shall provide for payment of the cost of the
- 38 coverage as provided in section 2.6 of this chapter. The state shall
- 39 not pay any part of the cost of the coverage.
- 40 (g) The state personnel department may adopt rules under
- 41 IC 4-22-2 to implement this section.
- 42 (h) This section expires December 31, 2011.

COPY



1 SECTION 2. IC 20-5-2-2, AS AMENDED BY P.L.286-2001,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 2. In carrying out the school purposes of each
4 school corporation, its governing body acting on its behalf shall have
5 the following specific powers:

6 (1) In the name of the school corporation, to sue and be sued and
7 to enter into contracts in matters permitted by applicable law.

8 (2) To take charge of, manage, and conduct the educational affairs
9 of the school corporation and to establish, locate, and provide the
10 necessary schools, school libraries, other libraries where
11 permitted by law, other buildings, facilities, property, and
12 equipment therefor.

13 (2.5) To appropriate from the general fund an amount, not to
14 exceed the greater of three thousand dollars (\$3,000) per budget
15 year or one dollar (\$1) per pupil, not to exceed twelve thousand
16 five hundred dollars (\$12,500), based upon the school
17 corporation's previous year's average daily membership (as
18 defined in IC 21-3-1.6-1.1) for the purpose of promoting the best
19 interests of the school corporation by:

20 (A) the purchase of meals, decorations, memorabilia, or
21 awards;

22 (B) provision for expenses incurred in interviewing job
23 applicants; or

24 (C) developing relations with other governmental units.

25 (3) To acquire, construct, erect, maintain, hold, and to contract for
26 such construction, erection, or maintenance of such real estate,
27 real estate improvements, or any interest in either, as the
28 governing body deems necessary for school purposes, including
29 but not limited to buildings, parts of buildings, additions to
30 buildings, rooms, gymnasiums, auditoriums, playgrounds, playing
31 and athletic fields, facilities for physical training, buildings for
32 administrative, office, warehouse, repair activities, or housing of
33 school owned buses, landscaping, walks, drives, parking areas,
34 roadways, easements and facilities for power, sewer, water,
35 roadway, access, storm and surface water, drinking water, gas,
36 electricity, other utilities and similar purposes, by purchase, either
37 outright for cash (or under conditional sales or purchases money
38 contracts providing for a retention of a security interest by seller
39 until payment is made or by notes where such contract, security
40 retention, or note is permitted by applicable law), by exchange, by
41 gift, by devise, by eminent domain, by lease with or without
42 option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or

C
o
p
y



1 IC 21-5-12. To repair, remodel, remove, or demolish any such real
2 estate, real estate improvements, or interest in either, as the
3 governing body deems necessary for school purposes, and to
4 contract therefor. To provide for energy conservation measures
5 through utility energy efficiency programs or under a guaranteed
6 energy savings contract as described in IC 36-1-12.5.

7 (4) To acquire such personal property or any interest therein as
8 the governing body deems necessary for school purposes,
9 including but not limited to buses, motor vehicles, equipment,
10 apparatus, appliances, books, furniture, and supplies, either by
11 outright purchase for cash, or under conditional sales or purchase
12 money contracts providing for a security interest by the seller
13 until payment is made or by notes where such contract, security,
14 retention, or note is permitted by applicable law, by gift, by
15 devise, by loan, or by lease with or without option to purchase and
16 to repair, remodel, remove, relocate, and demolish such personal
17 property. All purchases and contracts delineated under the powers
18 given under subdivision (3) and this subdivision shall be subject
19 solely to applicable law relating to purchases and contracting by
20 municipal corporations in general and to the supervisory control
21 of agencies of the state as provided in section 3 of this chapter.

22 (5) To sell or exchange any of such real or personal property or
23 interest therein, which in the opinion of the governing body is not
24 necessary for school purposes, in accordance with IC 20-5-5, to
25 demolish or otherwise dispose of such property if, in the opinion
26 of the governing body, it is not necessary for school purposes and
27 is worthless, and to pay the expenses for such demolition or
28 disposition.

29 (6) To lease any school property for a rental which the governing
30 body deems reasonable or to permit the free use of school
31 property for:

32 (A) civic or public purposes; or
33 (B) the operation of a school age child care program for
34 children aged five (5) through fourteen (14) years that operates
35 before or after the school day, or both, and during periods
36 when school is not in session;

37 if the property is not needed for school purposes. Under this
38 subdivision, the governing body may enter into a long term lease
39 with a nonprofit corporation, community service organization, or
40 other governmental entity, if the corporation, organization, or
41 other governmental entity will use the property to be leased for
42 civic or public purposes or for a school age child care program.

COPY



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

However, if the property subject to a long term lease is being paid for from money in the school corporation's debt service fund, then all proceeds from the long term lease shall be deposited in that school corporation's debt service fund so long as the property has not been paid for. The governing body may, at its option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(7) To employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-6.1-3), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including but not limited to the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and such other personnel or services, all as the governing body considers necessary for school purposes. To fix and pay the salaries and compensation of such persons and such services. To classify such persons or services and to adopt schedules of salaries or compensation. To determine the number of such persons or the amount of services thus employed or contracted for. To determine the nature and extent of their duties. The compensation, terms of employment, and discharge of teachers shall, however, be subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers shall be subject to and shall be governed by any laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of such school corporation shall be submitted to the state board of accounts for approval to the end that such services shall be used by the school corporation when the governing body determines that it is in the best interests of the school corporation while at the same time providing reasonable accountability for the funds expended.

(8) Notwithstanding the appropriation limitation in subdivision

**C
O
P
Y**



1 (2.5), when the governing body by resolution deems a trip by an
 2 employee of the school corporation or by a member of the
 3 governing body to be in the interest of the school corporation,
 4 including but not limited to attending meetings, conferences, or
 5 examining equipment, buildings, and installation in other areas,
 6 to permit such employee to be absent in connection with such trip
 7 without any loss in pay and to refund to such employee or to such
 8 member ~~his~~ reasonable hotel and board bills and necessary
 9 transportation expenses. To pay teaching personnel for time spent
 10 in sponsoring and working with school related trips or activities.
 11 (9) To transport children to and from school, when in the opinion
 12 of the governing body such transportation is necessary, including
 13 but not limited to considerations for the safety of such children
 14 and without regard to the distance they live from the school, such
 15 transportation to be otherwise in accordance with the laws
 16 applicable thereto.
 17 (10) To provide a lunch program for a part or all of the students
 18 attending the schools of the school corporation, including but not
 19 limited to the establishment of kitchens, kitchen facilities, kitchen
 20 equipment, lunch rooms, the hiring of the necessary personnel to
 21 operate such program, and the purchase of any material and
 22 supplies therefor, charging students for the operational costs of
 23 such lunch program, fixing the price per meal or per food item. To
 24 operate such lunch program as an extracurricular activity, subject
 25 to the supervision of the governing body. To participate in any
 26 surplus commodity or lunch aid program.
 27 (11) To purchase textbooks, to furnish them without cost or to
 28 rent them to students, to participate in any textbook aid program,
 29 all in accordance with applicable law.
 30 (12) To accept students transferred from other school corporations
 31 and to transfer students to other school corporations in accordance
 32 with applicable law.
 33 (13) To levy taxes, to make budgets, to appropriate funds, and to
 34 disburse the money of the school corporation in accordance with
 35 the laws applicable thereto. To borrow money against current tax
 36 collections and otherwise to borrow money, in accordance with
 37 IC 20-5-4.
 38 (14) To purchase insurance, ~~or to~~ establish and maintain a
 39 program of self-insurance, **or enter into an interlocal agreement**
 40 **with one (1) or more school corporations to establish and**
 41 **maintain a cooperative risk management program**, relating to
 42 the liability of the school corporation or its employees in

C
o
p
y



1 connection with motor vehicles or property and for any additional
 2 coverage to the extent permitted and in accordance with
 3 IC 34-13-3-20. To purchase additional insurance, ~~or to~~ establish
 4 and maintain a program of self-insurance, **or enter into an**
 5 **interlocal agreement with one (1) or more school corporations**
 6 **to establish and maintain a cooperative risk management**
 7 **program**, protecting the school corporation and members of the
 8 governing body, employees, contractors, or agents of the school
 9 corporation from any liability, risk, accident, or loss related to any
 10 school property, school contract, school or school related activity,
 11 including but not limited to the purchase of insurance or the
 12 establishment and maintenance of a self-insurance program
 13 protecting such persons against false imprisonment, false arrest,
 14 libel, or slander for acts committed in the course of their
 15 employment, protecting the school corporation for fire and
 16 extended coverage and other casualty risks to the extent of
 17 replacement cost, loss of use, and other insurable risks relating to
 18 any property owned, leased, or held by the school corporation. To:

19 (A) participate in a state employee health plan under
 20 IC 5-10-8-6.6;

21 (B) purchase insurance; or

22 (C) establish and maintain a program of self-insurance;
 23 to benefit school corporation employees, which may include
 24 accident, sickness, health, or dental coverage, provided that any
 25 plan of self-insurance shall include an aggregate stop-loss
 26 provision.

27 (15) To make all applications, to enter into all contracts, and to
 28 sign all documents necessary for the receipt of aid, money, or
 29 property from the state government, the federal government, or
 30 from any other source.

31 (16) To defend any member of the governing body or any
 32 employee of the school corporation in any suit arising out of the
 33 performance of ~~his~~ **the member's or employee's** duties for or
 34 employment with, the school corporation, provided the governing
 35 body by resolution determined that such action was taken in good
 36 faith. To save any such member or employee harmless from any
 37 liability, cost, or damage in connection therewith, including but
 38 not limited to the payment of any legal fees, except where such
 39 liability, cost, or damage is predicated on or arises out of the bad
 40 faith of such member or employee, or is a claim or judgment
 41 based on ~~his~~ **the member's or employee's** malfeasance in office
 42 or employment.

C
O
P
Y



1 (17) To prepare, make, enforce, amend, or repeal rules,
2 regulations, and procedures for the government and management
3 of the schools, property, facilities, and activities of the school
4 corporation, its agents, employees, and pupils and for the
5 operation of its governing body, which rules, regulations, and
6 procedures may be designated by any appropriate title such as
7 "policy handbook", "bylaws", or "rules and regulations".

8 (18) To ratify and approve any action taken by any member of the
9 governing body, any officer of the governing body, or by any
10 employee of the school corporation after such action is taken, if
11 such action could have been approved in advance, and in
12 connection therewith to pay any expense or compensation
13 permitted under IC 20-5-1 through IC 20-5-6 or any other law.

14 (19) To exercise any other power and make any expenditure in
15 carrying out its general powers and purposes provided in this
16 chapter or in carrying out the powers delineated in this section
17 which is reasonable from a business or educational standpoint in
18 carrying out school purposes of the school corporation, including
19 but not limited to the acquisition of property or the employment
20 or contracting for services, even though such power or
21 expenditure shall not be specifically set out herein. The specific
22 powers set out in this section shall not be construed to limit the
23 general grant of powers provided in this chapter except where a
24 limitation is set out in IC 20-5-1 through IC 20-5-6 by specific
25 language or by reference to other law.

26 SECTION 3. IC 20-5-2.7 IS ADDED TO THE INDIANA CODE
27 AS NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
28 PASSAGE]:

29 **Chapter 2.7. Cooperative Risk Management Programs**

30 **Sec. 1. As used in this chapter, "aggregate insurance coverage"**
31 **means the coverage provided by an insurance contract that:**

- 32 **(1) is purchased by a cooperative program; and**
- 33 **(2) provides excess coverage if the aggregate amount of claims**
34 **submitted by member school corporations and payable by the**
35 **self-insurance fund exceeds the total amount of self-insured**
36 **risk retained by the members in a fiscal year.**

37 **Sec. 2. As used in this chapter, "commissioner" means the**
38 **insurance commissioner appointed under IC 27-1-1-2.**

39 **Sec. 3. As used in this chapter, "cooperative program" means a**
40 **cooperative risk management program established under this**
41 **chapter.**

42 **Sec. 4. As used in this chapter, "member" refers to a school**

C
o
p
y



1 corporation that enters into an interlocal agreement with another
2 school corporation to establish a cooperative program.

3 Sec. 5. As used in this chapter, "self-insurance fund" means an
4 actuarially sound fund established by a cooperative program as a
5 reserve to cover self-insured risk retained by the members for
6 losses covered under this chapter and to pay premiums for
7 aggregate insurance coverage and specific insurance coverage
8 required under this chapter.

9 Sec. 6. As used in this chapter, "specific insurance coverage"
10 means the coverage provided by one (1) or more insurance
11 contracts that:

- 12 (1) are purchased by a cooperative program; and
- 13 (2) provide excess coverage for a part of a specific claim that
- 14 exceeds the amount covered by the self-insurance fund.

15 Sec. 7. (a) Two (2) or more school corporations may enter into
16 an interlocal agreement under IC 36-1-7 to establish a cooperative
17 risk management program through which the school corporations
18 agree to maintain a program of joint self-insurance to cover
19 certain retained risks and to jointly purchase aggregate insurance
20 coverage and specific insurance coverage, including the following:

- 21 (1) Casualty insurance, including general and professional
- 22 liability coverage and student accident insurance.
- 23 (2) Property insurance.
- 24 (3) Automobile insurance, including motor vehicle liability
- 25 insurance coverage and security for motor vehicles owned or
- 26 operated, and protection against other liability and loss
- 27 associated with the ownership of motor vehicles.
- 28 (4) Surety and fidelity insurance coverage.
- 29 (5) Umbrella and excess insurance coverage.
- 30 (6) Worker's compensation coverage.

31 (b) A cooperative program established under this chapter is a
32 separate legal entity with the power to:

- 33 (1) sue and be sued;
- 34 (2) make contracts; and
- 35 (3) hold and dispose of real and personal property.

36 Sec. 8. A cooperative program established under this chapter is
37 not an insurance company or insurer under the laws of Indiana.
38 The development, administration, and operation of a cooperative
39 program does not constitute the business of insurance and is not
40 subject to the insurance laws of Indiana.

41 Sec. 9. (a) A cooperative program shall:

- 42 (1) establish a self-insurance fund with an aggregate limit on

C
O
P
Y



1 the total amount of self-insured risk retained by the members
2 in a fiscal year; and

3 (2) maintain aggregate insurance coverage and specific
4 insurance coverage.

5 (b) A self-insurance fund established under subsection (a) must
6 be funded at the beginning of each fiscal year by a contribution
7 from each member in an amount that reflects the member's share
8 of self-insured risk and other costs of the cooperative program.

9 (c) Annual contributions to the self-insurance fund under
10 subsection (b) must be:

11 (1) determined using generally accepted actuarial standards;
12 and

13 (2) set to fund at least one hundred percent (100%) of the
14 self-insured risk retained by the members in a fiscal year plus
15 the other costs of the cooperative program, including
16 premiums for aggregate insurance coverage and specific
17 insurance coverage.

18 Sec. 10. (a) An interlocal agreement entered into under section
19 7 of this chapter must:

20 (1) establish the cooperative program as a separate legal
21 entity; and

22 (2) specify the organization, composition, and powers of the
23 governing authority of the cooperative program as required
24 by IC 36-1-7-3.

25 (b) The governing authority of the cooperative program shall
26 adopt bylaws concerning the following:

27 (1) A financial plan setting forth in general terms:

28 (A) the types of risks covered under the cooperative
29 program;

30 (B) the aggregate limit on the total amount of self-insured
31 risk retained by the cooperative program in a fiscal year;

32 (C) the minimum amount of specific insurance coverage
33 and aggregate insurance coverage that must be maintained
34 by the cooperative program; and

35 (D) the procedure for determining each member's annual
36 contribution to the self-insurance fund.

37 (2) A plan of management that provides for:

38 (A) the responsibility of the governing authority with
39 regard to:

40 (i) maintaining the amount of reserves in the
41 self-insurance fund;

42 (ii) disposing of surpluses; and

C
O
P
Y



- 1 (iii) administering the cooperative program in the event
- 2 of termination;
- 3 (B) the basis on which new members may be admitted to,
- 4 and existing members may leave, the cooperative program;
- 5 and
- 6 (C) other provisions necessary or desirable for the
- 7 operation of the cooperative program.

8 Sec. 11. (a) A cooperative program shall have an annual audit
 9 performed by an independent certified public accounting firm
 10 according to guidelines established by the state board of accounts.

11 (b) Not later than one hundred eighty (180) calendar days after
 12 the close of a cooperative program's fiscal year, the cooperative
 13 program must furnish the cooperative program's members with
 14 audited financial statements certified by an independent certified
 15 public accounting firm.

16 (c) Copies of the audit report and certified financial statements
 17 required under this section must be provided to the commissioner
 18 and the state board of accounts not later than one hundred eighty
 19 (180) calendar days after the close of the cooperative program's
 20 fiscal year.

21 (d) If a cooperative program fails to have the annual audit
 22 performed as required by subsection (a), the commissioner shall
 23 cause the audit to be performed at the expense of the cooperative
 24 program.

25 (e) The working papers of the certified public accountant and
 26 other records pertaining to the preparation of the audited financial
 27 statements required under this section may be reviewed by the
 28 commissioner.

29 Sec. 12. The assets of a cooperative program must be:
 30 (1) treated as a joint investment fund under IC 20-5-11-5; and
 31 (2) invested under IC 5-13-9 in the same manner as other
 32 public funds.

33 Sec. 13. Not later than sixty (60) calendar days after the
 34 beginning of a cooperative program's fiscal year, the governing
 35 authority shall submit the following to the commissioner:

- 36 (1) A copy of the bylaws adopted by the cooperative program.
- 37 (2) A copy of each coverage document form issued by the
- 38 cooperative program.
- 39 (3) A copy of the insurance contracts purchased by the
- 40 cooperative program, including contracts for aggregate
- 41 insurance coverage and specific insurance coverage.
- 42 (4) A copy of the interlocal agreement.

COPY



1 **Sec. 14. (a) If a cooperative program fails to comply with the**
2 **requirements of this chapter, the commissioner shall issue a notice**
3 **of noncompliance to the cooperative program.**

4 **(b) Not later than thirty (30) calendar days after a cooperative**
5 **program receives a notice of noncompliance under subsection (a),**
6 **the cooperative program shall file with the commissioner a written**
7 **request for time to restore compliance and a plan to restore**
8 **compliance.**

9 **(c) The commissioner, on receiving the written request and plan**
10 **to restore compliance filed under subsection (b), may allow a**
11 **period of one (1) year during which the cooperative program may**
12 **restore compliance.**

13 **(d) If a plan to restore compliance is:**
14 **(1) not filed under subsection (b);**
15 **(2) filed under subsection (b) and not approved by the**
16 **commissioner; or**
17 **(3) filed under subsection (b), approved by the commissioner,**
18 **and at the end of one (1) year the cooperative program is not**
19 **in compliance with this chapter;**

20 **the commissioner may grant additional time to comply, or the**
21 **commissioner may suspend, limit, or terminate the authority of the**
22 **cooperative program to do business in this state.**

23 **Sec. 15. (a) Motor vehicle coverage provided by a cooperative**
24 **program must provide the ability for a member to respond in**
25 **damages for liability arising out of the ownership, maintenance, or**
26 **use of a motor vehicle in amounts at least equal to the amounts**
27 **required under IC 9-25-4.**

28 **(b) A member that participates in the motor vehicle coverage**
29 **provided by a cooperative program is considered to meet the**
30 **financial responsibility requirements set forth in IC 9-25-4, and an**
31 **application for a certificate of self-insurance under IC 9-25-4-11 is**
32 **not required.**

33 **Sec. 16. Information regarding the:**
34 **(1) portion of funds; or**
35 **(2) liability reserve;**
36 **established by a cooperative program to satisfy a specific claim or**
37 **cause of action is confidential and is not subject to subpoena or**
38 **order to produce, except in a supplementary or an ancillary**
39 **proceeding to enforce a judgment.**

40 **Sec. 17. The department of insurance may adopt rules under**
41 **IC 4-22-2 to implement this chapter.**

42 **SECTION 4. IC 21-2-5.6-2 IS AMENDED TO READ AS**

C
O
P
Y



1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The
2 self-insurance fund may be used to provide monies for the following
3 purposes:

4 (1) the payment of any judgment rendered against the school
5 corporation, or rendered against any officer or employee of the
6 school corporation for which the school corporation is liable
7 under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5,
8 IC 34-4-16.6, or IC 34-4-16.7 before their repeal);

9 (2) the payment of any claim or settlement for which the school
10 corporation is liable pursuant to IC 34-13-2, IC 34-13-3, or
11 IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before
12 their repeal);

13 (3) the payment of any premium, management fee, claim, or
14 settlement for which the school corporation is liable pursuant to
15 any federal or state statute including but not limited to payments
16 pursuant to IC 22-3 and IC 22-4; or

17 (4) the payment of any settlement or claim for which insurance
18 coverage is permitted under IC 20-5-2-2(14); or

19 **(5) the payment of a contribution to the self-insurance fund of
20 a cooperative risk management program under IC 20-5-2.7-9.**

21 SECTION 5. [EFFECTIVE JULY 1, 2004] **(a) Notwithstanding
22 IC 20-5-2-2(14), as amended by this act, a school corporation may
23 participate in the school corporation health benefit pilot project
24 established under IC 5-10-8-2.8, as added by this act, to provide
25 coverage for the benefit of active and retired school corporation
26 employees as described in IC 5-10-8-2.8, as added by this act.**

27 **(b) This SECTION expires December 31, 2011.**

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

C
o
p
y

