

Ed. 20 (p. 107)
Do Pass 3/12 (p. 1008)

FILED JAN 11 1990

SENATE FILE 2059
BY KIBBIE

Passed Senate, Date 2/27/90 (p. 745) Passed House, Date 3/16/90 (p. 1157)
Vote: Ayes 47 Nays 1 Vote: Ayes 20 Nays 0
Approved March 27, 1990

A BILL FOR

1 An Act authorizing merged area schools to establish a self-
2 insurance program for the payment of workers' compensation
3 benefits, exempting the self-insurance program from taxation,
4 and exempting the self-insurance program from insurance
5 regulation.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

SF 2059

1 Section 1. Section 87.4, unnumbered paragraph 2, Code
2 Supplement 1989, is amended to read as follows:

3 A self-insurance association formed under this section and
4 an association comprised of cities or counties, or both, or
5 merged area schools, as defined in section 280A.2, which have
6 entered into an agreement under chapter 28E for the purpose of
7 establishing a self-insured program for the payment of
8 workers' compensation benefits are exempt from taxation under
9 section 432.1.

10 Sec. 2. Section 87.4, unnumbered paragraph 4, Code
11 Supplement 1989, is amended to read as follows:

12 A self-insured program for the payment of workers'
13 compensation benefits established by an association comprised
14 of cities or counties, or both, or merged area schools, as
15 defined in section 280A.2, which have entered into an
16 agreement under chapter 28E, is not insurance, and is not
17 subject to regulation under chapters 505 through 523C.
18 Membership in such an association together with payment of
19 premiums due relieves the member from obtaining insurance as
20 required in section 87.1. Such an association is not required
21 to submit its plan or program to the commissioner of insurance
22 for review and approval prior to its implementation and is not
23 subject to rules or rates adopted by the commissioner relating
24 to workers' compensation group self-insurance programs. Such
25 a program is deemed to be in compliance with this chapter.

26 EXPLANATION

27 This bill provides that a self-insured program established
28 by merged area schools for the payment of workers'
29 compensation benefits is exempt from insurance premium or
30 payments taxation. The bill also provides that such a self-
31 insured program is not an insurance program and is not subject
32 to regulation under Iowa's insurance statutes.

33
34
35

SENATE FILE 2059
FISCAL NOTE

A fiscal note for Senate File 2059 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2059 provides that a self-insured program established by merged area schools for the payment of workers' compensation benefits is exempt from insurance premium or payments taxation. The bill also provides that such a self-insured program is not an insurance program and is not subject to regulation under Iowa's insurance statutes.

Assumptions

1. The total FY 1990 payroll for merged area schools is \$111,513,432.
2. All merged area schools would elect to self-insure.

Fiscal Impact

This bill would reduce General Fund revenues from the insurance premium tax by an estimated \$356,843 beginning in FY 1991.

Source: Department of Commerce, Insurance Division
Merged Area Schools

(LSB 7502xs, PDD)

FILED FEBRUARY 15, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2059
FISCAL NOTE

A fiscal note for Senate File 2059 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2059 provides that a self-insured program established by merged area schools for the payment of workers' compensation benefits is exempt from insurance premium or payments taxation. The bill also provides that such a self-insured program is not an insurance program and is not subject to regulation under Iowa's insurance statutes.

Assumptions

1. The FY 1990 payroll for merged area schools not self-insured is \$30,489,831.
2. These merged area schools would elect to self-insure.

Fiscal Impact

This bill would reduce General Fund revenues from the insurance premium tax by an estimated \$115,865 beginning in FY 1991.

Source: Insurance Management Program for Area Community Colleges
Department of Commerce, Insurance Division (LSB 7502XS.2, PDD)

FILED FEBRUARY 23, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2059

AN ACT

AUTHORIZING MERGED AREA SCHOOLS TO ESTABLISH A SELF-INSURANCE PROGRAM FOR THE PAYMENT OF WORKERS' COMPENSATION BENEFITS, EXEMPTING THE SELF-INSURANCE PROGRAM FROM TAXATION, AND EXEMPTING THE SELF-INSURANCE PROGRAM FROM INSURANCE REGULATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 87.4, unnumbered paragraph 2, Code Supplement 1989, is amended to read as follows:

A self-insurance association formed under this section and an association comprised of cities or counties, or both, or merged area schools, as defined in section 280A.2, which have entered into an agreement under chapter 28E for the purpose of establishing a self-insured program for the payment of workers' compensation benefits are exempt from taxation under section 432.1.

Sec. 2. Section 87.4, unnumbered paragraph 4, Code Supplement 1989, is amended to read as follows:

A self insured program for the payment of workers' compensation benefits established by an association comprised of cities or counties, or both, or merged area schools, as defined in section 280A.2, which have entered into an agreement under chapter 28E, is not insurance, and is not subject to regulation under chapters 505 through 523C. Membership in such an association together with payment of premiums due relieves the member from obtaining insurance as required in section 87.1. Such an association is not required to submit its plan or program to the commissioner of insurance for review and approval prior to its implementation and is not subject to rules or rates adopted by the commissioner relating

to workers' compensation group self-insurance programs. Such a program is deemed to be in compliance with this chapter.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2059, Seventy-third General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved March 27, 1990

TERRY E. BRANSTAD
Governor

SF 2059