

Redfern
Rehberg
Connolly

SSB-1174

Education

Succeeded By

SE/HF 441

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
EDUCATION BILL BY CHAIR-
PERSON REDFERN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing an exemption from certain requirements of self-
2 insured accident and health insurance plans provided by school
3 corporations.

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

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1 ~~Section 1:~~ Section 509A.15, Code 1999, is amended by
2 ~~adding the~~ following new subsection:

3 NEW SUBSECTION. 4. A school corporation maintaining a
4 self-insured accident and health insurance plan, with yearly
5 claims which do not exceed one percent of the school
6 corporation's general fund budget, shall be exempt from the
7 following requirements with respect to that plan:

8 a. Maintaining aggregate excess loss coverage required by
9 rules relating to the adequacy of reserves adopted pursuant to
10 subsection 1, paragraph "b".

11 b. Contracting with a third-party administrator pursuant
12 to subsection 1, paragraph "d".

13 The yearly claim amount shall be determined annually on the
14 policy renewal date, or an alternative date established by
15 rule, by a plan administrator or school corporation employee
16 to be designated by the plan administrator. The exemption
17 shall not apply for a year in which yearly claims are
18 determined to exceed one percent of the school corporation's
19 general fund budget.

20 EXPLANATION

21 This bill provides an exemption from certain plan
22 requirements relating to self-insured accident and health
23 insurance plans maintained by a school corporation. The bill
24 provides that if a school corporation's yearly claims do not
25 exceed 1 percent of the school corporation's general fund
26 budget, the school corporation self-insured accident and
27 health insurance plan does not have to contract with a third-
28 party administrator or maintain aggregate excess loss
29 coverage. Both of these requirements currently apply to self-
30 insured insurance plans, regardless of a plan's claim
31 experience. The bill provides for annual determination of the
32 yearly claim amount, and provides that the exemption will not
33 apply for a year in which the level of claims is determined to
34 exceed 1 percent of the school corporation's general fund
35 budget.

FILED MAR 15 1999

REPRINTED

SENATE FILE 441
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1174)

Passed Senate, Date ^(p.809) 3-25-99 Passed House, Date ^(p.1830) 4/25/00
Vote: Ayes 45 Nays 0 Vote: Ayes 94 Nays 2
Approved 5/19/00

p.141b Re Passed 4-26-00
Vote 48-0

A BILL FOR

1 An Act providing an exemption from certain requirements of self-
2 insured accident and health insurance plans provided by school
3 corporations.

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

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SENATE FILE 441

S-3079

1 Amend Senate File 441 as follows:
2 1. Page 1, line 17, by inserting after the word
3 "for" the following: "the year following".

By DONALD B. REDFERN

S-3079 FILED MARCH 16, 1999

0/0 3/25/99
(p.809)

SENATE FILE 441

S-3167

1 Amend Senate File 441 as follows:
2 1. Page 1, line 3, by striking the words "A
3 school corporation" and inserting the following: "One
4 or more school corporations".

5 2. Page 1, line 17, by inserting after the word
6 "for" the following: "the year following".

By DONALD B. REDFERN

S-3167 FILED MARCH 25, 1999

ADOPTED (p.809)

1741

1 Section 1. Section 509A.15, Code 1999, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 4. A school corporation maintaining a
4 self-insured accident and health insurance plan, with yearly
5 claims which do not exceed one percent of the school
6 corporation's general fund budget, shall be exempt from the
7 following requirements with respect to that plan:

8 a. Maintaining aggregate excess loss coverage required by
9 rules relating to the adequacy of reserves adopted pursuant to
10 subsection 1, paragraph "b".

11 b. Contracting with a third-party administrator pursuant
12 to subsection 1, paragraph "d".

13 The yearly claim amount shall be determined annually on the
14 policy renewal date, or an alternative date established by
15 rule, by a plan administrator or school corporation employee
16 to be designated by the plan administrator. The exemption
17 shall not apply for a year in which yearly claims are
18 determined to exceed one percent of the school corporation's
19 general fund budget.

20 EXPLANATION

21 This bill provides an exemption from certain plan
22 requirements relating to self-insured accident and health
23 insurance plans maintained by a school corporation. The bill
24 provides that if a school corporation's yearly claims do not
25 exceed 1 percent of the school corporation's general fund
26 budget, the school corporation self-insured accident and
27 health insurance plan does not have to contract with a third-
28 party administrator or maintain aggregate excess loss
29 coverage. Both of these requirements currently apply to self-
30 insured insurance plans, regardless of a plan's claim
31 experience. The bill provides for annual determination of the
32 yearly claim amount, and provides that the exemption will not
33 apply for a year in which the level of claims is determined to
34 exceed 1 percent of the school corporation's general fund
35 budget.

**SENATE FILE 441
FISCAL NOTE**

A fiscal note for Senate File 441 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 441 provides that if a school corporation's yearly claims do not exceed 1% of the school corporation's general fund budget, the school corporation self-insured accident and health insurance plan does not have to contract with a third-party administrator or maintain aggregate excess loss coverage.

ASSUMPTIONS

1. Information on the number of school districts that would be impacted by this Bill is unknown.
2. The amount by which school districts may reduce insurance program costs is indeterminant.
3. The Bill will not affect State school aid payments or other State education assistance to local school districts.

FISCAL IMPACT

Senate File 441 will have no impact on the General Fund. The magnitude of the impact on local school district budgets is indeterminant. However, any impact will likely reduce school district insurance program costs.

(LSB 1375SV, MAL)

FILED MARCH 17, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR

H. 3/29/99 Education
H. 4/1/99 Do Pass
H. 2/15/00 Do Pass
H. 3/23/00 Unfinished Business Calendar

SENATE FILE 441
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1174)

(AS AMENDED AND PASSED BY THE SENATE MARCH 25, 1999)

 - New Language by the Senate

Passed Senate, Date (P. 1416) 4-26-00 Passed House, Date (P. 1830) 4/25/00
Vote: Ayes 48 Nays 0 Vote: Ayes 94 Nays 2
Approved 5/19/00

A BILL FOR

1 An Act providing an exemption from certain requirements of self-
2 insured accident and health insurance plans provided by school
3 corporations.

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

HOUSE AMENDMENT TO
SENATE FILE 441

S-5650

- 8 1 Amend Senate File 441, as amended, passed, and
- 9 2 reprinted by the Senate, as follows:
- 10 3 1. Page 1, line 4, by striking the words
- 11 4 "accident and health" and inserting the following:
- 12 5 "dental".
- 13 6 2. Title page, line 2, by striking the words
- 14 7 "accident and health" and inserting the following:
- 15 8 "dental".

RECEIVED FROM THE HOUSE

S-5650 FILED APRIL 26, 2000
CONCURRED

S.F. 441

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1 Section 1. Section 509A.15, Code 1999, is amended by
 2 adding the following new subsection:
 3 NEW SUBSECTION. 4. One or more school corporations
 4 maintaining a self-insured accident and health insurance plan,
 5 with yearly claims which do not exceed one percent of the
 6 school corporation's general fund budget, shall be exempt from
 7 the following requirements with respect to that plan:
 8 a. Maintaining aggregate excess loss coverage required by
 9 rules relating to the adequacy of reserves adopted pursuant to
 10 subsection 1, paragraph "b".
 11 b. Contracting with a third-party administrator pursuant
 12 to subsection 1, paragraph "d".
 13 The yearly claim amount shall be determined annually on the
 14 policy renewal date, or an alternative date established by
 15 rule, by a plan administrator or school corporation employee
 16 to be designated by the plan administrator. The exemption
 17 shall not apply for the year following a year in which yearly
 18 claims are determined to exceed one percent of the school
 19 corporation's general fund budget.

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SENATE FILE 441

H-8725

1 Amend Senate File 441, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 1, line 4, by striking the words
 4 "accident and health" and inserting the following:
 5 "dental".
 6 2. Title page, line 2, by striking the words
 7 "accident and health" and inserting the following:
 8 "dental".

By CARROLL of Poweshiek
GRUNDBERG of Polk

H-8725 FILED APRIL 4, 2000
adopted 4/25/00 (P.1830)

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claims are determined to exceed one percent of the school corporation's general fund budget.

SENATE FILE 441

AN ACT

PROVIDING AN EXEMPTION FROM CERTAIN REQUIREMENTS OF SELF-INSURED DENTAL INSURANCE PLANS PROVIDED BY SCHOOL CORPORATIONS.

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

Section 1. Section 509A.15, Code 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 4. One or more school corporations maintaining a self-insured dental insurance plan, with yearly claims which do not exceed one percent of the school corporation's general fund budget, shall be exempt from the following requirements with respect to that plan:

a. Maintaining aggregate excess loss coverage required by rules relating to the adequacy of reserves adopted pursuant to subsection 1, paragraph "b".

b. Contracting with a third-party administrator pursuant to subsection 1, paragraph "d".

The yearly claim amount shall be determined annually on the policy renewal date, or an alternative date established by rule, by a plan administrator or school corporation employee to be designated by the plan administrator. The exemption shall not apply for the year following a year in which yearly

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 441, Seventy-eighth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved 5/19, 2000

THOMAS J. VILSACK
Governor