

LEGISLATIVE BILL 516

Approved by the Governor May 23, 1973

Introduced by Nebraska Retirement Systems Committee,
Whitney, 44, Chmn.; Marvel, 33; Luedtke, 28;
Hasebroock, 18

AN ACT relating to state employees; to provide a uniform program of group life and health insurance for all permanent full-time state employees as prescribed; and to declare an emergency.
Be it enacted by the people of the State of Nebraska,

Section 1. There is hereby established a program of group life and health insurance for all permanent full-time employees of this state, excluding employees of the University of Nebraska, the state colleges, and the technical community colleges. Such program shall be known as the Nebraska State Insurance Program and shall replace any current program of such insurance in effect in any agency and funded in whole or in part by state contribution excepting only those programs for which contributions by the state are required as a condition of receipt of federal funds.

Sec. 2. This act shall be administered by the Department of Personnel. The Director of Personnel may employ such clerical, secretarial, and technical assistants, and consultants as are required for the administration of this act.

Sec. 3. The Department of Insurance shall select one or more carriers or combinations of carriers licensed to do insurance business in Nebraska to serve as administrator of the insurance contract or contracts. Such selection shall be made after open competitive bidding in which any carrier authorized to provide the type or types of insurance coverage involved shall be eligible to participate. The Department of Insurance may utilize such expert technical assistance provided by other state agencies or outside consultants as may be required to establish and evaluate criteria for selection of carriers. The insurance contract or contracts may be subject to rebidding at any time after the inception of this program at the discretion of the Department of Insurance.

Sec. 4. Out of appropriations made for that purpose, the Director of Personnel shall (1) first enter into a contract providing, entirely at state expense,

five thousand dollars of basic life insurance protection, and (2) apply the balance to the purchase of a contract of group health insurance to be financed in part by the state and in part by contributions from each employee. Each such contract shall provide insurance coverage for each employee specified in section 1 of this act. Participation in the program of group health insurance shall be optional with the employee.

Sec. 5. The group life insurance contract or contracts may permit the extension of special benefits, such as accidental death benefits, amounts of life insurance in addition to the amount provided in section 4 of this act, and the extension of coverage to dependents. Any coverage under this section shall be borne solely by the employee.

Sec. 6. The group health insurance contract or contracts may permit the extension of special benefits, such as major medical insurance over and above any provided by the basic coverage specified in section 4 of this act, accidental death and dismemberment, disability income replacement benefits, and the extension of coverage to dependents. Any coverage under this section shall be borne solely by the employee.

Sec. 7. The special coverages permitted by sections 5 and 6 of this act shall be made available uniformly to all employees, but each employee shall retain the option to choose the special coverage or coverages which he desires or to reject all such special coverages. The coverages provided by section 4 of this act shall be mandatory.

Sec. 8. The coverages provided for by this act shall be afforded to each permanent full-time state employee commencing at the beginning of the first pay period after thirty days of such employment. No coverages provided for by this act shall be afforded to any employee after attainment of age sixty-five. The insurance coverages provided by this act shall be totally independent of one another and the loss experience and the rates for the various coverages shall be maintained separate and apart from one another.

Sec. 9. No agency shall provide for its employees any program of life or health insurance supplementary to that provided under this act, except as provided in sections 1, 5, and 6 of this act.

Sec. 10. All contributions by employees under this act shall be made by payroll deductions. As each new employee becomes eligible for coverage under this

act, the Director of Personnel shall certify to the Director of Administrative Services the amount to be deducted each pay period from his pay under this act. When there is any change in the amount of required contribution, such change shall be similarly certified. Such amount shall be deducted each pay period by the Director of Administrative Services.

Sec. 11. There is hereby established in the state treasury the State Employees Insurance Fund to which shall be credited all funds appropriated to pay the state's share of the cost of the coverages provided by this act and all payroll deductions made under this act. The Director of Administrative Services shall draw his warrant or warrants each month for the necessary payments to the carrier, carriers, or combinations of carriers selected under section 3 of this act.

Any funds in the State Employees Insurance Fund available for investment shall be invested by the state investment officer under the provisions of the Nebraska State Funds Investment Act.

Sec. 12. Any group insurance provided by this act shall be subject to the provisions of Chapter 44, article 16, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto, except that if any provision of this act is in conflict therewith, the provisions of this act shall govern.

Sec. 13. Coverages under this act shall be provided commencing January 1, 1974.

Sec. 14. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.