

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 2.2-1839 of the Code of Virginia, relating to the Department of*
3 *Treasury; risk management plan; inclusion of free clinics.*

4 [H 2135]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 2.2-1839 of the Code of Virginia is amended and reenacted as follows:**

8 § 2.2-1839. Risk management plans administered by the Department of the Treasury's Risk
9 Management Division for political subdivisions and constitutional officers.

10 A. The Division shall establish a risk management plan subject to the approval of the Governor,
11 which may be purchased insurance, self-insurance or a combination of self-insurance and purchased
12 insurance to provide protection against liability imposed by law for damages and against incidental
13 medical payments resulting from any claim made against any county, city or town; authority, board, or
14 commission; sanitation, soil and water, planning or other district; public service corporation owned,
15 operated or controlled by a locality or local government authority; constitutional officer; state
16 court-appointed attorney; affiliate or foundation of a state department, agency or institution; *any clinic*
17 *that is organized in whole or primarily for the delivery of health care services without charge*; or the
18 officers, agents or employees of any of the foregoing for acts or omissions of any nature while in an
19 authorized governmental or proprietary capacity and in the course and scope of employment or
20 authorization.

21 *For the purposes of this section, "delivery of health care services without charge" shall be deemed to*
22 *include the delivery of dental, medical or other health services when a reasonable minimum fee is*
23 *charged to cover administrative costs.*

24 B. Participation in the risk management plan shall be voluntary and shall be approved by the
25 participant's respective governing body or by the State Compensation Board in the case of constitutional
26 officers, by the office of the Executive Secretary of the Virginia Supreme Court in the case of state
27 court-appointed attorneys, and by the Division. Upon such approval, the Division shall assume sole
28 responsibility for plan management, compliance, or removal.

29 C. The Division shall provide for the legal defense of participating entities and shall reserve the right
30 to settle or defend claims presented under the plan. All prejudgment settlements shall be approved in
31 advance by the Division.

32 D. The risk management plan established pursuant to this section shall provide for the establishment
33 of a trust fund for the payment of claims covered under such plan. The funds shall be invested in the
34 manner provided in § 2.2-1806 and interest shall be added to the fund as earned.

35 The trust fund shall also provide for payment of legal defense costs, actuarial costs, administrative
36 costs, contractual costs and all other expenses related to the administration of such plan.

37 E. The Division shall, in its sole discretion, set the premium and administrative cost to be paid to it
38 for providing a risk management plan established pursuant to this section. The premiums and
39 administrative costs set by the Division shall be payable in the amounts at the time and in the manner
40 that the Division in its sole discretion shall require. The premiums and administrative costs need not be
41 uniform among participants, but shall be set so as to best ensure the financial stability of the plan.

ENROLLED

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