

13101902D

HOUSE BILL NO. 1554

Offered January 9, 2013

Prefiled January 4, 2013

A BILL to amend and reenact § 2.2-1839 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 15.2-1601.1, relating to Division of Risk Management; risk management plans; insurance coverage for sheriffs.

Patrons—Loupassi and Cline

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-1839 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 15.2-1601.1 as follows:

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

A. The Division shall establish one or more risk management plans specifying the terms and conditions for coverage, subject to the approval of the Governor, and which plans may be purchased insurance, self-insurance or a combination of self-insurance and purchased insurance to provide protection against liability imposed by law for damages and against incidental medical payments resulting from any claim made against any county, city or town; authority, board, or commission; sanitation, soil and water, planning or other district; public service corporation owned, operated or controlled by a locality or local government authority; constitutional officer; state court-appointed attorney; any attorney for any claim arising out of the provision of pro bono legal services for custody and visitation to an eligible indigent person under a program approved by the Supreme Court of Virginia or the Virginia State Bar; any receiver for an attorney's practice appointed under § 54.1-3900.01 or 54.1-3936; affiliate or foundation of a state department, agency or institution; any clinic that is organized in whole or primarily for the delivery of health care services without charge; volunteer drivers for any nonprofit organization providing transportation for persons who are elderly, disabled, or indigent to medical treatment and services, provided the volunteer driver has successfully completed training approved by the Division; any local chapter or program of the Meals on Wheels Association of America or any area agency on aging, providing meal and nutritional services to persons who are elderly, homebound, or disabled, and volunteer drivers for such entities who have successfully completed training approved by the Division; any individual serving as a guardian or limited guardian as defined in § 37.2-1000 for any individual receiving services from a community services board or behavioral health authority or from a state facility operated by the Department of Behavioral Health and Developmental Services; for nontransportation-related state construction contracts less than \$500,000, where the bid bond requirements are waived, prospective contractors shall be prequalified for each individual project in accordance with § 2.2-4317; or the officers, agents or employees of any of the foregoing for acts or omissions of any nature while in an authorized governmental or proprietary capacity and in the course and scope of employment or authorization.

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

For purposes of this section, a sheriff or deputy sheriff shall be considered to be acting in the scope of employment or authorization when performing any law-enforcement-related services authorized by the sheriff, and coverage for such service by the Division shall not be subject to any prior notification to or authorization by the Division.

B. *The risk management plans established pursuant to subsection A shall provide coverage sufficient to pay as compensation for a single claim an amount not to exceed \$2 million.*

C. Participation in the risk management plan shall be voluntary and shall be approved by the participant's respective governing body or by the State Compensation Board in the case of constitutional officers, by the office of the Executive Secretary of the Virginia Supreme Court in the case of state court-appointed attorneys, including attorneys appointed to serve as receivers under § 54.1-3900.01 or 54.1-3936, or attorneys under Virginia Supreme Court or Virginia State Bar approved programs, by the Commissioner of the Department of Behavioral Health and Developmental Services for any individual serving as a guardian or limited guardian for any individual receiving services from a state facility operated by the Department or by the executive director of a community services board or behavioral health authority for any individual serving as a guardian or limited guardian for any individual receiving

INTRODUCED

HB1554

59 services from the board or authority, and by the Division. Upon such approval, the Division shall
60 assume sole responsibility for plan management, compliance, or removal. The Virginia Supreme Court
61 shall pay the cost for coverage of eligible persons performing services in approved programs of the
62 Virginia Supreme Court or the Virginia State Bar. The Department of Behavioral Health and
63 Developmental Services shall be responsible for paying the cost of coverage for eligible persons
64 performing services as a guardian or limited guardian for any individual receiving services from a state
65 facility operated by the Department. The applicable community services board or behavioral health
66 authority shall be responsible for paying the cost of coverage for eligible persons performing services as
67 a guardian or limited guardian for individuals receiving services from the board or authority.

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

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

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

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

81 F. Notwithstanding any provision to the contrary, a sheriff's department of any city or county, or a
82 regional jail shall not be precluded from securing excess liability insurance coverage beyond the
83 coverage provided by the Division pursuant to this section.

84 ***§ 15.2-1601.1. Providing insurance coverage for sheriffs and deputies; limitation of liability.***

85 *Each locality shall secure for the elected sheriff and his deputies, either through the locality's*
86 *self-insurance retention or umbrella insurance policy, liability coverage that is beyond the coverage*
87 *provided under the risk management plan established pursuant to § 2.2-1839 to pay any civil judgment*
88 *obtained based on injuries or damages sustained arising out of the conduct and scope of the sheriff's*
89 *operations.*