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HOUSE BILL NO. 1268

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Local Government
on February 28, 2022)

(Patron Prior to Substitute—Delegate Head)

A *BILL to amend and reenact § 15.2-2703 of the Code of Virginia, relating to political subdivisions; group self-insurance pools.*

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-2703 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-2703. Group self-insurance pools authorized.

A. Any political subdivision of this Commonwealth may, by contract with one or more political subdivisions of this Commonwealth or of another state, form a group self-insurance pool to provide for joint or cooperative action relative to their financial and administrative resources for the purpose of providing to the participating political subdivisions risk management services as well as insurance coverage for pool members and employees of pool members, for acts or omissions arising out of the scope of their employment, including any or all of the following:

1. Casualty insurance, including workers' compensation under Title 65.2, employers' liability, general, professional and public officials liability coverage;

2. Property insurance, including marine insurance and inland marine and transportation insurance coverage;

3. Group life, accident and health coverages including hospital, medical, surgical and dental benefits to the employees of member political subdivisions and their dependents;

4. Automobile insurance, including motor vehicle liability insurance coverage and collision and security for motor vehicles owned or operated, as required by Title 46.2, and protection against other liability and loss associated with the ownership and use of motor vehicles;

5. Surety and fidelity insurance coverage; and

6. Umbrella and excess insurance coverages.

B. A group self-insurance pool may also provide all insurance coverages authorized by this section to (i) any separate corporation established by one or more counties, cities, towns, or school boards, as permitted by law, that is supported wholly or principally by local public funds or utilize federal funds for local community housing projects and (ii) other corporations recognized under § 501(c)(3) or 501(c)(4) of the Internal Revenue Code that are supported wholly or principally by local public funds or utilize federal funds for local community housing projects and that are recognized by a political subdivision and authorized by law to perform a government function.

~~B.~~ C. A group self-insurance pool may obtain excess insurance or reinsurance of risks, and may cede and sell the risks for coverages set forth in this section.

~~C.~~ D. Member political subdivisions that join together for the purpose of pooling their workers' compensation liabilities pursuant to Title 65.2 shall execute a written agreement, which has been approved by the State Corporation Commission under which each member agrees to be jointly and severally liable for the other members that are also party to such agreement. In addition to the rights the pool may have under such agreements, in the event of failure of the pool to enforce such rights after reasonable notice to the pool, the State Corporation Commission shall have the right independently to enforce on behalf of the pool the joint and several liability of its members under this title and the liability of members for any unpaid contributions and assessments. The State Corporation Commission shall be entitled to recover its expenses and ~~attorneys'~~ attorney fees. However, no such agreement to be jointly and severally liable, nor membership in a group self-insurance pool as defined in this section, shall relieve an employer of the liabilities imposed under Title 65.2 with respect to its employees. Members of a group self-insurance pool created pursuant to this title and licensed by the State Corporation Commission shall not be jointly and severally liable for unpaid contributions or assessments for any line of business other than workers' compensation offered by the group self-insurance pool.

~~D.~~ E. Subject to the approval of the State Corporation Commission and with such conditions as such Commission may require, a group self-insurance association formed pursuant to § 65.2-802, consisting solely of political subdivisions, may merge with a group self-insurance pool if the group self-insurance pool assumes in full all obligations of such group self-insurance association originally licensed pursuant to § 65.2-802.