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## HOUSE BILL NO. 2693

House Amendments in [ ] — February 7, 1999

*A BILL to amend and reenact § 15.2-1517 of the Code of Virginia, relating to insurance for local government employees.*

\_\_\_\_\_  
Patron—Scott

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Referred to Committee on Counties, Cities and Towns

**Be it enacted by the General Assembly of Virginia:****1. That § 15.2-1517 of the Code of Virginia is amended and reenacted as follows:**

§ 15.2-1517. Insurance for employees and retired employees of localities and other local governmental entities.

A. Any locality may provide group life, accident, and health insurance programs for their officers and employees, and employees of boards, commissions, agencies and authorities created by or controlled by such locality. Such programs may be through a program of self-insurance, purchased insurance, or partial self-insurance and purchased insurance, whichever is determined to be the most cost effective. The total cost of such policies or protection may be paid entirely by the locality or shared with the employee. The governing body of any locality may provide for its retired officers and retired employees to be eligible for such group life, accident, and health insurance programs. The cost of such insurance for retired officers and retired employees may be paid in whole or in part by the locality.

B. In the event a county or city elects to provide one or more of such programs for its officers and employees, it shall provide such programs to the constitutional officers and their employees on the same basis as provided to other officers and employees, unless the constitutional officers and employees are covered under a state program, and the cost of such local program shall be borne entirely by the locality or shared with the employee.

C. 1. Except as otherwise provided herein, in the event the governing body of any locality elects to provide group accident and health insurance for its officers and employees, including constitutional officers and their employees, such programs shall require that upon retirement, or upon the effective date of this provision for those who have previously retired, any such individual with (i) at least fifteen years of continuous employment with the locality or (ii) less than fifteen years of continuous employment who has retired due to line-of-duty injuries may choose to continue his coverage with the insurer at the retiree's expense until such individual attains sixty-five years of age at the insurer's customary premium rate applicable: (i) to such policies, (ii) to the class of risk to which the person then belongs, and (iii) to his age.

2. The governing body, when providing this coverage, may further provide that the retiree be rated separately from the active employees covered under the group plan offered by such governing body.

3. The provisions of the preceding paragraph shall not apply in any locality with a population of less than 30,000 which has made a written determination, following bona fide attempts to obtain such coverage for retirees, that (i) such coverage is not commercially available for retirees as a separately rated group or class and (ii) inclusion of retirees in the group or class of active employees would have the effect of materially increasing premium rates applicable to the group or class of active employees.

4. Any locality which has not offered the opportunity to continue group health coverage provided by the locality as required by subdivision C 1 to its retirees who had retired on or before June 30, 1993, and who meet the criteria for such coverage as set forth in subdivision C 1, shall do so by July 1, 2000. Any retiree from the service of a locality who had retired on or before June 30, 1993, and who meets the criteria to continue his group health coverage from the locality under subdivision C 1 who has not yet elected to continue his group health coverage from the locality shall [ elect whether to ] do so by July 1, 2000.

5. Nothing herein shall prohibit a locality from providing group accident and health coverage or benefits for its retirees in addition to that which is required under this section.

D. Any locality which offers group health plans to its employees and the employees of constitutional officers and its retirees, as provided by this section or otherwise, may provide in the plan providing such coverage that any retiree who is participating in a group health plan provided by the locality who subsequently terminates his participation in such plan may not thereafter rejoin a group health plan provided by the locality. [ Any such provision in a locality's group health plan effective prior to July 1, 1999, is hereby ratified. ]

ENGROSSED

HB2693E