

LEGISLATIVE BILL 1211

Approved by the Governor April 12, 1994

Introduced by Moore, 24

AN ACT relating to funds; to amend sections 48-1,102, 48-1,103, and 81-8,239.04, Reissue Revised Statutes of Nebraska, 1943, and sections 81-8,239.02 and 81-8,239.03, Revised Statutes Supplement, 1992; to create a fund; to rename a fund; to provide powers and duties for the Risk Manager; to harmonize provisions; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. There is hereby created the Risk Management Administration Cash Fund. The fund shall be administered by the Risk Manager. The fund shall consist of miscellaneous fees for services provided by the Risk Manager and shall be used to pay for expenses of the risk management and state claims program.

Any money in the fund available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to 72-1276.

Sec. 2. That section 48-1,102, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

48-1,102. Any award to a claimant and any judgment in favor of a claimant under sections 48-192 to 48-1,109 shall be certified by the Attorney General to the Director of Administrative Services, who shall promptly issue his or her warrant for payment of such award or judgment out of the Workers' Compensation Claims Revolving Fund, if sufficient money is available in such fund, except that no portion in excess of fifty thousand dollars of any award or judgment shall be paid until such award or judgment has been reviewed by the Legislature and specific appropriation made therefor. Delivery of any warrant in satisfaction of an award or judgment shall be made only upon receipt of a written receipt by the claimant in a form provided by the Attorney General.

Sec. 3. That section 48-1,103, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

48-1,103. There is hereby established in the state treasury a Workers' Compensation Claims Revolving Fund, to be administered by the Risk Manager, from which all workers' compensation costs, including prevention and administration, shall be paid. The fund shall receive deposits from assessments against state agencies charged by the Risk Manager to pay for workers' compensation costs. awards or judgments under sections 48-192 to 48-1,109 shall be paid. This fund shall be in such amount as the Legislature shall determine to be reasonably sufficient to meet anticipated claims. When the amount of money in the Workers' Compensation Claims Revolving Fund is not sufficient to pay any awards or judgments under sections 48-192 to 48-1,109, the Risk Manager shall immediately advise the Legislature and request an emergency appropriation to satisfy such awards and judgments. Any money in the ~~Workers' Compensation Claims~~ Workers' Compensation Claims Fund shall, on July 17, 1986 the effective date of this act, be transferred to the Workers' Compensation Claims Revolving Fund. Any money in the Workers' Compensation Claims Revolving Fund available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to 72-1269 72-1276.

Sec. 4. That section 81-8,239.02, Revised Statutes Supplement, 1992, be amended to read as follows:

81-8,239.02. The following separate permanent revolving funds are established in the state treasury for use under the Risk Management Program according to the purposes for which each fund is established:

(1) The State Insurance Fund is hereby created for the purpose of purchasing insurance to cover property, fidelity, and liability risks of the state and workers' compensation claims against the state and other risks to which the state or its agencies, officials, or employees are exposed and for paying related expenses. The fund may receive deposits from assessments against state agencies to provide insurance coverage as directed by the Risk Manager. The Risk Manager may retain in the fund sufficient money to pay for any deductibles or copayments as may be required by such insurance policies;

(2) The State Self-Insured Property Fund is hereby created for the purpose of replacing, repairing, or rebuilding state property which has incurred damage or is suffering other loss not fully covered by insurance and for paying related expenses. The fund may receive deposits from assessments against state agencies to provide property coverage as directed by the Risk

Manager. The Risk Manager may assess state agencies to provide self-insured property coverage; and

(3) The State Self-Insured Indemnification and Liability Fund is hereby created for the purpose of paying compensable liability and fidelity claims against the state or its agencies, officials, or employees which are not fully covered by insurance and for paying indemnification claims under section 81-8,239.05. Indemnification claims shall include payments for awards, settlements, and associated costs, including appeal bonds and reasonable costs associated with a required appearance before any tribunal. The fund may receive deposits from assessments against state agencies to pay for the costs associated with providing and supporting indemnification claims. The creation of this fund shall not be interpreted as expanding the liability exposure of the state or its agencies, officials, or employees.

Sec. 5. That section 81-8,239.03, Revised Statutes Supplement, 1992, be amended to read as follows:

81-8,239.03. The Risk Manager shall present a budget request as provided in section 81-1113 for the Risk Management Program which shall separately state the amount requested for the Tort Claims Fund, State Insurance Fund, State Self-Insured Property Fund, State Self-Insured Indemnification and Liability Fund, and Workers' Compensation Claims Revolving Fund, and such budget shall be based on the projected needs for such funds. The amounts for such funds attributable to non-general-fund agencies. If the risk manager does not assess state agencies for any of the funds listed in this section, the amount of expenditures paid from the fund on behalf of any non-general-fund agency shall be separately stated and paid into the funds from an appropriation to each such non-general-fund agency. If the amount of money in any of such funds is not sufficient to pay any awards or judgments authorized by sections 48-192 to 48-1,109 or the State Tort Claims Act, the Risk Manager shall immediately advise the Legislature and request an emergency appropriation to satisfy such awards and judgments. Any money in such funds available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to ~~72-1269~~ 72-1276.

Sec. 6. That section 81-8,239.04, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-8,239.04. All money or property recovered by or returned to the state, including but not limited to dividends, money recovered pursuant to litigation, or the salvage value of damaged property for damages relating to either a liability or property loss for which money from the State Insurance Fund, State Self-Insured Property Fund, State Self-Insured Indemnification and Liability Fund, Workers' Compensation Claims Revolving Fund, or Tort Claims Fund has been paid, shall be deposited in the respective fund, except that such money or property recovered under the terms of an insurance policy, the premiums for which were paid ~~for~~ solely by a cash fund agency and purchased at its request, shall be deposited in the respective cash fund.

Sec. 7. That original sections 48-1,102, 48-1,103, and 81-8,239.04, Reissue Revised Statutes of Nebraska, 1943, and sections 81-8,239.02 and 81-8,239.03, Revised Statutes Supplement, 1992, are repealed.

Sec. 8. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.