

LEGISLATIVE BILL 1252

Approved by the Governor April 3, 1996

Introduced by Maurstad, 30; Wehrbein, 2

AN ACT relating to the Risk Manager; to amend sections 81-8,239.01, 84-1602, 84-1603, 84-1605, 84-1606, and 84-1613, Reissue Revised Statutes of Nebraska; to change provisions relating to administration of the state employees insurance program and the State Employees Insurance Fund; to harmonize provisions; and to repeal the original sections.
Be it enacted by the people of the State of Nebraska,

Section. 1. Section 81-8,239.01, Reissue Revised Statutes of Nebraska, is amended to read:

81-8,239.01. (1) For purposes of sections 81-8,239.01 to 81-8,239.08, unless the context otherwise requires, the definition of state agencies found in section 81-8,210 shall apply, except that such term shall not include the Board of Regents of the University of Nebraska.

(2) There is hereby established a division within the Department of Administrative Services to be known as the risk management and state claims division. The division shall be headed by the Risk Manager who shall be appointed by the Director of Administrative Services. The division shall be responsible for the Risk Management Program, which program is hereby created. The program shall consist of the systematic identification of exposures to risk of loss as provided in sections 11-201 to 11-203, 13-911, 25-2165, 43-1320, 44-1615, 44-1616, 48-194, 48-197, 48-1,103, 48-1,104, 48-1,107, 48-1,109, 81-8,212, 81-8,220, 81-8,225, 81-8,226, 81-8,233, 81-8,239.01 to 81-8,239.08, and 81-8,300 and shall include the appropriate methods for dealing with such exposures in relation to the state budget pursuant to such sections. Such program shall be administered by the Risk Manager and shall include the operations of the State Claims Board and other operations provided in such sections.

(3) Under the Risk Management Program, the Risk Manager shall have the authority and responsibility to:

(a) Employ any personnel necessary to administer the Risk Management Program;

(b) Develop and maintain loss and exposure data on all state property and liability risks;

(c) Develop and recommend risk reduction or elimination programs for the state and its agencies and establish, implement, and monitor a statewide safety program;

(d) Determine which risk exposures shall be insured and which risk exposures shall be self-insured or assumed by the state;

(e) Establish standards for the purchase of necessary insurance coverage or risk management services at the lowest costs, consistent with good underwriting practices and sound risk management techniques;

(f) Be the exclusive negotiating and contracting agency to purchase insurance or risk management services and, after consultation with the state agency for which the insurance or services are purchased, enter into such contracts on behalf of the state and its agencies, officials, and employees to the extent deemed necessary and in the best interest of the state, and authorize payment for such purchase out of the appropriate funds created by section 81-8,239.02;

(g) Determine whether the state suffered a loss for which self-insured property loss funds have been created and authorize and administer payments for such loss from the State Self-Insured Property Fund for the purpose of replacing or rebuilding state property;

(h) Perform all duties assigned to the Risk Manager under the Nebraska Workers' Compensation Act and sections 11-201 to 11-203, 81-8,239.05, 81-8,239.07, and 84-1603 ~~84-1601 to 84-1615~~;

(i) Approve the use of risk management pools by any department, agency, board, bureau, commission, or council of the State of Nebraska; and

(j) Recommend to the Legislature such legislation as may be necessary to carry out the purposes of the Risk Management Program and make appropriation requests for the administration of the program and the funding of the separate funds administered by the Risk Manager.

(4) No official or employee of any entity created by local public agencies pursuant to the Interlocal Cooperation Act shall be considered a state official or employee for purposes of sections 81-8,239.01 to 81-8,239.06.

Sec. 2. Section 84-1602, Reissue Revised Statutes of Nebraska, is amended to read:

84-1602. Sections 84-1601 to 84-1615 shall be administered by the personnel risk management and state claims division of the Department of Administrative Services. The Director of Personnel Risk Manager may employ such administrative, clerical, secretarial, and technical assistants and consultants as are required for the administration of such sections.

Sec. 3. Section 84-1603, Reissue Revised Statutes of Nebraska, is amended to read:

84-1603. The personnel risk management and state claims division of the Department of Administrative Services shall select, with the assistance of the Risk Manager Director of Personnel and the Chief Negotiator, one or more carriers or combinations of carriers licensed to do insurance business in Nebraska to serve as administrator of the insurance contract or contracts. Such selection shall be made after open competitive bidding in which any carrier authorized to provide the type or types of insurance coverage involved shall be eligible to participate. The personnel division may develop bid specifications which provide for various forms of plan design and funding methods, including plans of self-insurance or any combination of such methods. The personnel risk management and state claims division may utilize such expert technical assistance provided by the Risk Manager Director of Personnel, the Chief Negotiator, and other state agencies or outside consultants as may be required to establish and evaluate criteria for selection of carriers. The insurance contract or contracts may be subject to rebidding at any time after the inception of this program at the discretion of the personnel risk management and state claims division.

Sec. 4. Section 84-1605, Reissue Revised Statutes of Nebraska, is amended to read:

84-1605. Out of appropriations made for that purpose, the personnel risk management and state claims division of the Department of Administrative Services shall (1) first enter into a contract providing, entirely at state expense, ten thousand dollars of basic life insurance protection and (2) enter into a contract to purchase a contract of group health insurance to be financed by the state to the extent that appropriations made for that purpose are available and, if necessary, by contributions from each employee. Each such contract shall provide insurance coverage for each employee specified in section 84-1601. Participation in the program of group health and life insurance shall be optional with the employee.

Sec. 5. Section 84-1606, Reissue Revised Statutes of Nebraska, is amended to read:

84-1606. The personnel risk management and state claims division of the Department of Administrative Services may elect to offer a group health insurance option to employees subject to sections 84-1601 to 84-1615. Such benefits shall be offered at the rates listed in section 84-1611, and additional contributions necessary to cover the costs of such benefits may be required from employees.

Sec. 6. Section 84-1613, Reissue Revised Statutes of Nebraska, is amended to read:

84-1613. There is hereby established in the state treasury the The State Employees Insurance Fund, to be established. The fund shall be administered by the department, to which shall be credited all risk management and state claims division of the Department of Administrative Services. All funds appropriated to pay the state's share of the cost of the coverages provided by sections 84-1601 to 84-1615 and all payroll deductions made under sections 84-1601 to 84-1615. The department shall be credited to the fund. The division shall make premium payments to the carrier, carriers, or combinations of carriers selected under section 84-1603 from this fund.

Any funds in the State Employees Insurance Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 7. Original sections 81-8,239.01, 84-1602, 84-1603, 84-1605, 84-1606, and 84-1613, Reissue Revised Statutes of Nebraska, are repealed.