

TESTIMONY OF SCOTT MILLER

Engrossed House Bill 1435 – Line of Duty Death Health Insurance Coverage

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in a neutral position regarding House Bill 1435.

This bill originally required an employer to pay for the insurance coverage for a surviving spouse and dependents in the event their emergency responder employee died in the line of duty. We were able to address the original bill and brought forth several questions regarding the bill's language.

The bill was then hog-housed into its current form, and NDPERS did not have the opportunity to provide testimony on the amendments to HB 1435 before it was passed. My testimony today will be markedly different than in the House as a result.

HB 1435 now requires the NDPERS Board to offer health and pharmacy insurance coverage to the surviving spouse and dependents of an emergency responder who dies in the line of duty. The Board is required to offer that insurance at no cost to the surviving spouse or dependents. The bill has a retroactive application back to January 1, 2010, and the coverage would be effective on or after August 1, 2021.

We have information on five line-of-duty deaths since January 1, 2010. The cost of adding those five groups of surviving family members for the upcoming biennium is approximately \$246,810, assuming they all participate. This will increase premiums for all participating employers going forward.

In evaluating the amended bill, the question arose regarding whether the retroactive application of the bill would present a possible gift clause issue. Because the bill is providing a significant financial benefit to the survivors that was not part of the compensation package for the emergency responders at the time of their passing, there is a reasonable possibility of a gift clause violation. We merely bring this to your attention for your information and consideration.