

SENATE BILL NO.

Introduced by

Senator Mathern

1 A BILL for an Act to create and enact a new subsection to section 54-52-04, a new subsection
2 to section 54-52.1-01, and three new sections to chapter 54-52.1 of the North Dakota Century
3 Code, relating to expansion of the uniform group insurance program to allow participation by
4 employees of certain private sector employers; to amend and reenact section 54-52.1-02 of the
5 North Dakota Century Code, relating to subgroups under the uniform group insurance program;
6 to provide an appropriation; to provide a continuing appropriation; and to provide an effective
7 date.

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

9 **SECTION 1.** A new subsection to section 54-52-04 of the North Dakota Century Code
10 is created and enacted as follows:

11 The board shall operate the uniform group insurance program as a governmental
12 benefit plan. The board shall apply to the federal government to receive exempt
13 status under the Employee Retirement Income Security Act to allow for the
14 expansion of the uniform group insurance program under sections 3, 4, 5, and 6 of
15 this Act.

16 **SECTION 2.** A new subsection to section 54-52.1-01 of the North Dakota Century Code
17 is created and enacted as follows:

18 "Private sector employer" means a business organization other than a state or
19 local governmental agency, department, or board that employs fifty or fewer
20 employees and which regularly pays to one or more employees wages or salary
21 that is reportable to the internal revenue service for income tax purposes.

22 **SECTION 3. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is
23 amended and reenacted as follows:

1 **54-52.1-02. Uniform group insurance program created - Formation into**
2 **subgroups.** In order to promote the economy and efficiency of employment in the state's
3 service, to reduce personnel turnover, ~~and~~ to offer an incentive to high-grade ~~men and women~~
4 employees to enter and remain in the service of state employment, to attract a highly qualified
5 workforce to the state, and to promote the general health and well-being of the people of North
6 Dakota, there is hereby created a uniform group insurance program. The uniform group must
7 be composed of eligible and retired public employees and permanent employees of certain
8 private sector employers and be formed to provide hospital benefits coverage, medical benefits
9 coverage, and life insurance benefits coverage in the manner set forth in this chapter. The
10 uniform group may be divided into the following subgroups at the discretion of the board:

- 11 1. Medical and hospital benefits coverage group consisting of active eligible
12 employees and retired employees not eligible for medicare. In determining
13 premiums for coverage under this subsection for retired employees not eligible for
14 medicare, the rate for a non-medicare retiree single plan is one hundred fifty
15 percent of the active member single plan rate, the rate for a non-medicare retiree
16 family plan of two people is twice the non-medicare retiree single plan rate, and the
17 rate for a non-medicare retiree family plan of three or more persons is two and
18 one-half times the non-medicare retiree single plan rate.
- 19 2. Retired medicare-eligible employee group medical and hospital benefits coverage.
- 20 3. Active eligible employee life insurance benefits coverage.
- 21 4. Retired employee life insurance benefits coverage.
- 22 5. Terminated employee continuation group medical and hospital benefits coverage.
- 23 6. Terminated employee conversion group medical and hospital benefits coverage.
- 24 7. Dental benefits coverage.
- 25 8. Vision benefits coverage.
- 26 9. Long-term care benefits coverage.
- 27 10. Employee assistance benefits coverage.
- 28 11. Private sector employee group medical and hospital benefits coverage.

29 **SECTION 4.** A new section to chapter 54-52.1 of the North Dakota Century Code is
30 created and enacted as follows:

1 so much of the sum as may be necessary, to the public employees retirement system for the
2 purpose of expanding the uniform group insurance program, for the biennium beginning July 1,
3 2007, and ending June 30, 2009. The board is authorized three additional full-time equivalent
4 positions to implement this Act.

5 **SECTION 8. EFFECTIVE DATE.** Sections 2, 3, 4, and 5 of this Act become effective
6 when the board receives notification from the federal government of the uniform group
7 insurance program's exempt status under the Employee Retirement Income Security Act to
8 allow for the expansion of the uniform group insurance program as required under section 1 of
9 this Act, the board determines that utilizing medical underwriting requirements and risk-adjusted
10 premiums does not violate the Health Insurance Portability and Accountability Act, and the
11 board enters a contract with an insurer to provide coverage pursuant to this Act. The board
12 shall notify the legislative council of the effective date of this Act.