

1 SB157
2 126429-2
3 By Senator Pittman
4 RFD: Finance and Taxation Education
5 First Read: 03-MAR-11

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8 SYNOPSIS: This bill would provide that the Public
9 Education Employees' Health Insurance Plan is not
10 subject to the Alabama Insurance Code.

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12 A BILL
13 TO BE ENTITLED
14 AN ACT

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16 To amend Section 16-25A-5, Code of Alabama 1975, to
17 provide that the Public Education Employees' Health Insurance
18 Plan is not subject to the Alabama Insurance Code.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. Section 16-25A-5, Code of Alabama 1975,
21 is amended to read as follows:

22 "§16-25A-5.

23 "(a) The board is hereby empowered and authorized to
24 establish a fully insured or self-insured health insurance
25 plan for employees and, under certain conditions, retired
26 employees and to adopt and promulgate rules and regulations
27 for the administration of such plan subject to such

1 limitations as may be contained in this article. In no event
2 shall the Alabama Insurance Code, Chapter 1, Title 27,
3 commencing with Section 27-1-1, be applicable to the Public
4 Education Employees' Health Insurance Plan. Such plan may
5 provide for group hospitalization, surgical, medical, cancer,
6 cash indemnity, and dental insurance against the financial
7 costs of hospitalization, surgical, and medical treatment and
8 care and may also include, among other things, prescribed
9 drugs, medicines, prosthetic appliances, hospital inpatient
10 and outpatient service benefits, and hospital/medical expenses
11 indemnity benefits, including major medical benefits or such
12 other coverage or benefits as may be deemed appropriate and
13 desirable by the board, within the limits of such funds as may
14 be available.

15 "(b) Any member employee or, under certain
16 conditions, retired employee may elect an optional or
17 supplemental coverage provided by the board which shall
18 include but is not limited to dental, cancer, or indemnity
19 benefits. Such election shall be in accordance with the rules
20 and regulations and at such times as the board shall
21 prescribe. Election of an optional or supplemental coverage
22 shall be in lieu of primary coverage under the basic medical
23 plan, provided any individual covered under the basic medical
24 plan may elect an optional coverage upon agreeing to pay the
25 costs of such coverage. Any member employee or retired
26 employee who does not elect an optional or supplemental

1 coverage shall be deemed as a matter of law to have elected
2 basic medical primary coverage."

3 Section 2. This act shall become effective on the
4 first day of the third month following its passage and
5 approval by the Governor, or its otherwise becoming law.