

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Russ**

A Bill

ACT 862 OF 1993
SENATE BILL 333

For An Act To Be Entitled

8 "AN ACT TO REQUIRE SCHOOL DISTRICTS TO PROVIDE WORKERS_
9 COMPENSATION COVERAGE FOR THEIR EMPLOYEES; AND FOR OTHER
10 PURPOSES."

Subtitle

13 "TO REQUIRE SCHOOL DISTRICTS TO PROVIDE WORKERS_
14 COMPENSATION COVERAGE FOR THEIR EMPLOYEES."

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18 SECTION 1. (a) All school districts shall be required to provide
19 workers_ compensation coverage for their employees.

20 (b) Coverages shall be provided for losses incurred while performing
21 work for the school district.

23 SECTION 2. (a) This chapter shall be effective July 1, 1994.

24 (b) (1) Claims incurred prior to the effective date of this act shall
25 continue to be the responsibility of the state.

26 (2) Claims incurred on and after the effective date shall be the
27 responsibility of the school districts.

29 SECTION 3. (a) School districts may provide workers_ compensation
30 coverage either through private carriers, municipal self-funding groups, or
31 one (1) or more self-funding groups.

32 (b) Self-funding groups established for this purpose shall meet the
33 following requirements:

34 (1) Any such group established to provide such coverage to school
35 districts only shall offer coverage to any school district in the state that
36 applies for such coverage;

1 (2) Any group established to provide worker's compensation
2 coverage to school districts shall offer such coverage at rates established by
3 the National Council of Compensation Insurance and approved by the Arkansas
4 Department of Insurance. Premiums for school districts participating in any
5 such group shall be revised annually based on the loss experience of the
6 particular school district or group of school districts; and

7 (3) (A) Any self-funding group of participating school districts
8 shall be subject to the regulations of the Workers_ Compensation Commission
9 applicable to self-insured groups or providers. However, school districts
10 shall not be required to enter into an indemnity agreement binding them
11 jointly and severally.

12 (i) Each board governing a self-funded group shall be
13 permitted to declare dividends or give credits against renewal premiums based
14 on annual loss experience.

15 (ii) All self-funded groups shall obtain excess
16 reinsurance from an admitted or approved insurance company doing business in
17 Arkansas.

18 (B) However, in lieu of the reinsurance requirements in
19 subdivision (b) (3) (A) (ii), any self-funded group under this section with one
20 million five hundred thousand dollars (\$1,500,000) or more in annually
21 collected premiums may provide excess reserves of twenty percent (20%) of
22 annual premiums by any one of the following ways:

23 (i) cash or certificates of deposit in Arkansas
24 banks;

25 (ii) letters of credit from an Arkansas bank.

26
27 SECTION 4. All provisions of this act of a general and permanent nature
28 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
29 Revision Commission shall incorporate the same in the Code.

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31 SECTION 5. If any provision of this act or the application thereof to
32 any person or circumstance is held invalid, such invalidity shall not affect
33 other provisions or applications of the act which can be given effect without
34 the invalid provision or application, and to this end the provisions of this
35 act are declared to be severable.

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SECTION 6. All laws and parts of laws in conflict with this act are hereby repealed.

/s/ Senator Russ

APPROVED: 4/2/93

As Engrossed: 2/22/93 2/24/93 3/26/93

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