

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representative Cunningham

A Bill

HOUSE BILL 1679

For An Act To Be Entitled

"AN ACT TO REQUIRE ALL TWO-YEAR AND FOUR-YEAR PUBLIC
INSTITUTIONS OF HIGHER EDUCATION TO PROVIDE WORKERS'
COMPENSATION FOR THEIR EMPLOYEES; AND FOR OTHER PURPOSES."

Subtitle

"TO REQUIRE ALL TWO-YEAR AND FOUR-YEAR
PUBLIC INSTITUTIONS OF HIGHER EDUCATION
TO PROVIDE WORKERS' COMPENSATION
COVERAGE FOR THEIR EMPLOYEES."

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

SECTION 1. (a) All two-year and four-year public institutions of higher education shall be required to provide workers_ compensation coverage for their employees.

(b) Coverages shall be provided for losses incurred while performing work for the two-year or four-year public institution of higher education.

SECTION 2. (a) This act shall be effective July 1, 1996.

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

(2) Claims incurred on and after the effective date of this act shall be the responsibility of the two-year or four-year public institution of higher education.

SECTION 3. (a) Two-year and four-year public institutions of higher education may provide workers_ compensation coverage through one (1) or more self-funding groups.

1 (b) *Self-funding groups established for this purpose shall meet the*
2 *following requirements:*

3 (1) *Any such group established to provide such coverage to*
4 *public institutions of higher education only shall offer coverage to any two-*
5 *year or four-year public institution of higher education in the state that*
6 *applies for such coverage;*

7 (2) *Any such group established to provide workers_ compensation*
8 *coverage to public institutions of higher education shall offer coverage at*
9 *rates established by the national Council of Compensation Insurance and*
10 *approved by the Arkansas Department of Insurance. Premiums for public*
11 *institutions of higher education participating in any such group shall be*
12 *revised annually based on the loss experience of the particular institution*
13 *of higher education or group of public institutions of higher education; and*

14 (3)(A) *Any self-funding group of participating public*
15 *institutions of higher education shall be subject to the regulations of the*
16 *Workers_ Compensation Commission applicable to self-insured groups or*
17 *providers. Two-year and four-year public institutions of higher education*
18 *shall not be required to enter into an indemnity agreement binding them*
19 *jointly and severally.*

20 (i) *Each board governing a self-funding group shall be*
21 *permitted to declare dividends or give credits against renewal premiums based*
22 *on annual loss experience in accordance with the Arkansas Workers_*
23 *Compensation Law.*

24 (ii) *All self-funded groups shall obtain excess*
25 *reinsurance from an admitted or approved insurance company doing business in*
26 *Arkansas.*

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

32 (i) *Cash or certificates of deposit in Arkansas banks;*

33 (ii) *Letters of credit from an Arkansas bank.*

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35 SECTION 4. *All provisions of this act of a general and permanent*

1 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
2 Code Revision Commission shall incorporate the same in the Code.

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

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

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/s/Rep. Cunningham

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