

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

As Engrossed: H3/7/97 H3/13/97 H3/20/97 S3/27/97

A Bill

HOUSE BILL 1961

4
5 By: Representative Cunningham
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For An Act To Be Entitled

8
9 "AN ACT TO REQUIRE ALL TWO-YEAR AND FOUR-YEAR PUBLIC
10 INSTITUTIONS OF HIGHER EDUCATION TO PROVIDE WORKERS'
11 COMPENSATION FOR THEIR EMPLOYEES; AND FOR OTHER PURPOSES."
12

Subtitle

13
14 "TO REQUIRE ALL TWO-YEAR AND FOUR-YEAR
15 PUBLIC INSTITUTIONS OF HIGHER EDUCATION
16 TO PROVIDE WORKERS' COMPENSATION
17 COVERAGE FOR THEIR EMPLOYEES."
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. (a) All two-year and four-year public institutions of
23 higher education shall be required to provide workers compensation coverage
24 for their employees.

25 (b) Coverages shall be provided for losses incurred while performing
26 work for the two-year or four-year public institution of higher education.
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28 SECTION 2. (a) Claims incurred on and after the effective date a
29 public institution of higher education elects to provide self-funded coverage
30 hereunder shall be the responsibility of the two-year or four-year public
31 institution of higher education.

32 (b) Claims incurred prior to the effective date a public institution of
33 higher education elects to provide self-funded coverage hereunder shall become
34 the responsibility of the two-year or four-year public institution of higher
35 education and the workers compensation trust fund, maintained for each
36 institution, by the Department of Finance and Administration shall be paid to

1 the institution by the Public Employee Claims Division of the Insurance
2 Department on the effective date of the election.

3 (c) The Public Employee Claims Division shall assist and provide
4 necessary records to institutions making an election under this act or to
5 their designees.

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7 SECTION 3. (a) Two-year and four-year public institutions of higher
8 education may provide workers compensation coverage through private carriers,
9 municipal self funding groups or one (1) or more self-funded entities or
10 groups.

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

13 (1) Any such group established to provide such coverage to public
14 institutions of higher education only, shall offer coverage to any two-year or
15 four-year public institution of higher education in the state that applies for
16 such coverage;

17 (2) Any such group established to provide workers compensation
18 coverage to public institutions of higher education shall offer coverage at
19 rates promulgated by the Arkansas Worker's Compensation Commission. Premiums
20 for public institutions of higher education participating in any such group
21 shall be revised annually based on the loss experience of the particular
22 institution of higher education or group of public institutions of higher
23 education; and

24 (3)(A) Any self-funding group of participating public
25 institutions of higher education shall be subject to the regulations of the
26 Workers Compensation Commission applicable to self-insured groups or
27 providers. Two-year and four-year public institutions of higher education
28 shall not be required to enter into an indemnity agreement binding them
29 jointly and severally.

30 (i) Each board governing a self-funding group shall be
31 permitted to declare dividends or give credits against renewal premiums based
32 on annual loss experience subject to Arkansas Worker's Compensation Commission
33 approval.

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

36 (B) In lieu of the reinsurance requirements in subdivision

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

- 5 (i) Cash or certificates of deposit in Arkansas banks;
- 6 (ii) Letters of credit from an Arkansas bank.

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8 SECTION 4. Nothing in this act shall require two-year or four-year
9 public institutions of higher education to provide workers' compensation
10 coverage through one (1) or more self-funded entities or groups and any such
11 institution may elect to provide such coverage through the Public Employee
12 Claims Division of the Arkansas Insurance Department in the same manner as
13 other state agencies.

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15 SECTION 5. All provisions of this act of a general and permanent
16 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
17 Code Revision Commission shall incorporate the same in the Code.

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

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25 SECTION 7. All laws and parts of laws in conflict with this act are
26 hereby repealed.

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28 SECTION 8. EMERGENCY. It is found and determined by the General
29 Assembly of the State of Arkansas that this act requires all two-year and
30 four-year public institutions of higher education to provide workers
31 compensation for their employees; and that it is in the best interest of the
32 employees shall become effective on July 1, 1997. Therefore, an emergency is
33 declared to exist and this act being immediately necessary for the
34 preservation of the public peace, health and safety shall become effective
35 July 1, 1997.

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/s/Rep. Cunningham