

1 H.654

2 Introduced by Representative Long of Newfane

3 Referred to Committee on

4 Date:

5 Subject: Health; health insurance; education; intermunicipal insurance  
6 agreements

7 Statement of purpose of bill as introduced: This bill proposes to treat school  
8 districts, supervisory unions, and other education-related organizations that are  
9 part of an intermunicipal insurance agreement as a single entity for health  
10 insurance purposes without effecting common control.

11 An act relating to intermunicipal health insurance agreements

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 24 V.S.A. § 4942 is amended to read:

14 § 4942. CONTENTS OF AGREEMENT

15 (a) Two or more municipalities, by resolution of their respective legislative  
16 bodies or boards, may establish and enter into agreements for obtaining or  
17 effecting insurance by self-insurance, for obtaining or effecting insurance from  
18 any insurer authorized to transact business in this ~~state~~ State as an admitted or  
19 surplus lines carrier, or for obtaining and effecting insurance secured in  
20 accordance with any other method provided by law, or by combination of the

1 provisions of this section for obtaining and effecting insurance. Agreements  
2 made pursuant to this section may provide for pooling of self-insurance  
3 reserves, risks, claims and losses, and of administrative services and expenses  
4 associated with the same, among municipalities. To accomplish the purposes  
5 of this subchapter, two or more municipalities may form an association under  
6 the laws of this ~~state~~ State to develop and administer an intermunicipal risk  
7 management program, having as its purposes reducing the risk of its members;  
8 safety engineering; distributing, sharing, and pooling risks; acquiring  
9 insurance, excess loss insurance, or reinsurance; and processing, paying, and  
10 defending claims against the members of such association.

11 (b) For purposes of health coverage, all school districts, supervisory  
12 unions, and other education-related organizations that enter into an agreement  
13 pursuant to this chapter for the purpose of providing health coverage to their  
14 employees, whether through self-funding, purchasing insurance, or any other  
15 method authorized by law, or a combination of these means, shall be  
16 aggregated and collectively considered a single entity; provided, however, that  
17 nothing in this subsection shall be construed to suggest that the school districts,  
18 supervisory unions, and other education-related organizations are under  
19 common control.

20 Sec. 2. EFFECTIVE DATE

21 This act shall take effect on passage.