SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 1689

(SENATE AUTHORS: METZEN and Gazelka)

DATE	D-PG	OFFICIAL STATUS
02/25/2014	5810	Introduction and first reading Referred to Commerce
03/04/2014	5947	Comm report: To pass and re-referred to State and Local Government
	5965	Withdrawn and re-referred to Finance
03/21/2014	6506	Withdrawn
	6506	Second reading
04/07/2014	7813a	Special Order: Amended
	7813	Third reading Passed
04/30/2014	8530	Returned from House Presentment date 04/29/14
04/30/2014	8529	Governor's action Approval 04/30/14
	8530	Secretary of State Chapter 184 04/30/14 Effective date 08/01/14

A bill for an act

relating to insurance; authorizing certain benefits for Minnesota FAIR plan employees; providing certain conforming and technical changes; amending Minnesota Statutes 2012, sections 43A.27, subdivision 2; 65A.35, subdivision 5.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2012, section 43A.27, subdivision 2, is amended to read:

Subd. 2. **Elective eligibility.** The following persons, if not otherwise covered by section 43A.24, may elect coverage for themselves or their dependents at their own expense:

(1) a state employee, including persons on layoff from a civil service position as provided in collective bargaining agreements or a plan established pursuant to section 43A.18;

(2) an employee of the Board of Regents of the University of Minnesota, including persons on layoff, as provided in collective bargaining agreements or by the Board of Regents;

(3) an officer or employee of the State Agricultural Society, State Horticultural Society, Sibley House Association, Minnesota Humanities Center, Minnesota Area Industry Labor Management Councils, Minnesota International Center, Minnesota Academy of Science, Science Museum of Minnesota, Minnesota Safety Council, state Office of Disabled American Veterans, state Office of the American Legion and its auxiliary, state Office of Veterans of Foreign Wars and its auxiliary, or state Office of the Military Order of the Purple Heart;

(4) a civilian employee of the adjutant general who is paid from federal funds and who is not eligible for benefits from any federal civilian employee group life insurance or health benefits program; ~~and~~

(5) an officer or employee of the State Capitol Credit Union or the Highway Credit Union~~.~~; and

(6) an employee of the joint underwriting association pursuant to section 62I.121 or Minnesota FAIR plan pursuant to section 65A.35, subdivision 5, unless the commissioner determines that making these employees eligible to purchase this coverage would cause the state employee group insurance program to lose its status as a governmental plan or would cause the program to be treated as a multiemployer welfare arrangement.

Sec. 2. Minnesota Statutes 2012, section 65A.35, subdivision 5, is amended to read:

Subd. 5. **Administration.** (1) The Minnesota FAIR plan is administered by a board of nine directors, five of whom are elected by the members of the plan and four who represent the public. Public directors may include licensed insurance agents. Public directors are appointed by the commissioner. No less than two elected directors must be representatives of domestic insurers. In the election of directors, each member of the Minnesota FAIR plan is allotted votes bearing the same ratio to the total number of votes to be cast as its degree of participation in the plan bears to the total participation.

(2) Any vacancy among the elected directors must be filled by a vote of the other elected directors.

(3) If at any time the members fail to elect the required number of directors to the board, or a vacancy remains unfilled for more than 15 days, the commissioner may appoint the directors necessary to constitute a full board of directors.

(4) Vacancies among directors appointed by the commissioner must be filled by appointment by the commissioner. A person so appointed serves until the end of the term of the director the person is replacing.

(5) All public directors serve for a period of two years. The terms of all public directors begin on July 1 of the year their appointments begin.

(6) The plan of operation must provide for adequate compensation of public directors. A per diem amount and a procedure for reimbursement of expenses incurred in the discharge of their duties must be included in the plan. Private directors are not eligible for compensation.

(7) At the option of the board, employees may participate in an insurance plan administered by the commissioner of management and budget under chapter 43A, except as otherwise provided in section 43A.27, subdivision 2, clause (6).