

CHAPTER 211

AN ACT to repeal 20.551 (15), 66.919 (8) (b) and (c); to renumber 66.919 (7); to renumber and amend 66.919 (6) (e), (8), (9) and (10); to amend 20.408 (intro. par.), (1), (41), (42) (intro. par.) and (b), 20.551 (14) (intro. par.), 23.14 (12), 42.52, 66.918 (1) (a), 66.919 (1), (2), (3) (a) 6 and (b), (4) (a) 1, b, 2 and (d), (5) (a), (6) (title) and (c) and (8) (a), (c) and (d), as renumbered; and to create 66.919 (4) (g) and (h), (7), (8) (cc), (9), (11) (b) and (14) of the statutes, relating to group health insurance and the group life insurance program for state employes, granting rule-making authority and making an appropriation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.408 (intro. par.), (1), (41), (42) (intro. par.) and (b) of the statutes are amended to read:

20.408 (intro. par.) GROUP INSURANCE BOARD. There is appropriated from the general fund to the group * * * insurance board:

(1) Annually beginning July 1, * * * 1959, a sum sufficient for the execution of its functions under s. 66.919.

(41) PAYMENTS FOR GROUP LIFE AND HEALTH INSURANCE. All contributions by the state * * * for group life *and health* insurance pursuant to * * * s. 20.551 (14) * * * and all group life *and health* insurance premiums withheld from earnings of insured employes *or from retirement benefit payments to insured annuitants* pursuant to * * * s. 66.919 *to be used as a revolving appropriation* for payments by said board to the insurance carrier or carriers.

(42) (intro. par.) All dividends or premium credits becoming available under the terms of the group life *and health* insurance contract or contracts, to be apportioned by said board prior to the close of each fiscal year in the following order:

(b) Any excess * * * may be used to reimburse the respective funds for contributions made * * * *in the ratio in which the contributions were made, or may be applied for the benefit of employes continuing to be insured under the contract or contracts, or to the reduction of premium payments in the following contract year, or to establish reserves to stabilize the costs in subsequent years, or to purchase of additional* * * * insurance to be in effect during the following contract year.

SECTION 2. 20.551 (14) (intro. par.) of the statutes is amended to read:

20.551 (14) (intro. par.) TRANSFER TO COVER GROUP LIFE AND HEALTH INSURANCE; STATE EMPLOYES. There is * * * *appropriated* monthly beginning July 1, * * * 1959, from the respective funds from which the salaries of state employes and state officers are paid *or have been paid*, such sums as may be necessary to make the *state* contributions * * * *for group life and health insurance* pursuant to s. 66.919 * * *, except that:

SECTION 3. 20.551 (15) of the statutes is repealed.

SECTION 4. 23.14 (12) of the statutes is amended to read:

23.14 (12) No portion of said pension fund shall either before or after its order of distribution by such board to such disabled or superannuated members of the conservation warden department or to the widow or guardian of such minor child or children of the deceased member of such department be held, seized, taken subject to, or detained or levied on by virtue of any attachment, execution, injunction, writ or other order or decree or any process or proceeding whatever, issued out of or by any court of this state for the payment or satisfaction in whole or in part of any debt, damages, claim or judgment against said member or his widow or the guardian of such minor child or children of any deceased member. *An annuitant may, however, direct the fund to deduct premiums for group insurance carried under s. 66.919 and to pay such moneys into the general fund to the credit of s. 20.408 (41).*

SECTION 5. 42.52 of the statutes is amended to read:

42.52 The benefits payable to, or other right and interest of any member, beneficiary, or distributee of any estate under any provision of the state teachers retirement law shall be exempt from any tax levied by the state or any subdivision thereof, and exempt from levy and sale, garnishment, attachment or any other process whatsoever, and shall be unassignable except as specifically provided herein. *An annuitant may, however, direct the board to deduct premiums for group insurance carried under s. 66.919 and to pay such moneys into the general fund to the credit of s. 20.408 (41).*

SECTION 6. 66.918 (1) (a) of the statutes is amended to read:

66.918 (1) (a) None of the moneys mentioned in ss. 66.90 to 66.918 shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment or other legal process. *An annuitant may, however, direct the fund to deduct premiums for group insurance carried under s. 66.919 and to pay such moneys into the general fund to the credit of s. 20.408 (41).*

SECTION 7. 66.919 (1), (2), (3) (a) 6 and (b) and (4) (a) 1, b, 2 and (d) of the statutes are amended to read:

66.919 GROUP INSURANCE BOARD. (1) A program of group life and health insurance is created for the purpose of providing state employes with group life insurance in amounts based upon their annual earnings and group health insurance for employes and their dependents under a plan or plans contributed to and conducted by the state through a group * * * insurance board thereby improving morale and efficiency in state service.

(2) The group * * * insurance board shall consist of the governor, the attorney general, the commissioner of insurance, the director of personnel and * * * 3 members appointed by the governor. One of the appointees shall be * * * an insured member of the Wisconsin state employe's association, and one shall be an insured state-employed member of the state teachers retirement system. The first appointments shall * * * expire on July 1, 1959, after which date appointments shall be made for terms of 2 years each. The governor shall be the president of said board and a secretary shall be chosen by the board.

(3) (a) 6. The establishment of standard beneficiary priorities * * * if the employe has not designated a beneficiary to receive the life

insurance at his death, or in the event that such designated beneficiary * * * *does not survive the employe, and the procedure for filing different beneficiary designations.*

(b) The board shall on behalf of the state * * * enter into a contract or contracts with one or more corporations authorized to transact insurance business in this state *or corporations created under ch. 148 or s. 182.032.* The group life *and the health* insurance contract or contracts may be of the type which requires payment of premiums which are known to be sufficient to pay losses, *costs, benefits* and expenses incurred in its operation and which * * * *may permit* * * * dividends or * * * *premium credits to be applied as provided in s. 20.408 (42) (b),* or of a type which requires lower initial premiums with the probability of greatly reduced or nonexistent dividends or rate credits.

(4) (a) 1, b. Is a participating employe under the Wisconsin retirement fund or has been for 6 months an active member of the state teachers retirement system or is included under the conservation warden pension fund or is a member *or employe* of the legislature, governor, lieutenant governor, secretary of state, state treasurer, attorney general, state superintendent of public instruction, justices of the supreme court, circuit judge, chief clerk or sergeant at arms of the senate or assembly.

2. The definition of employe shall not exclude any individual who, while insured for the group life *or health* insurance, is retired on an immediate annuity * * *, or is retired on a disability annuity. *In the case of group life insurance, however, except in case of disability annuity, such retired employe shall have been a state employe for at least 25 years or have attained age 65, or have attained age 60 and been mandatorily retired pursuant to s. 66.906 (1) (c).*

(d) "Disability annuity" means the same as prescribed in s. 23.14 (7), 42.242 (4), 42.49 (9), 66.191 or 66.907.

SECTION 8. 66.919 (4) (g) and (h) of the statutes are created to read:

66.919 (4) (g) "Board" means group insurance board.

(h) "Dependent" means the spouse of an employe, or an employe's unmarried child under 19 years of age if not a student, or under 23 years if a student as defined by board rule. "Child" includes an adopted child or stepchild who is dependent upon the insured for support and maintenance.

SECTION 9. 66.919 (5) (a), (6) (title) and (c) of the statutes are amended to read:

66.919 (5) GROUP INSURANCE PROVIDED. (a) Each employe shall be insured in accordance with this section, unless such employe executes and files with his employing office a written waiver of *any* such coverage, within the time limit fixed by rule, which shall be transmitted forthwith to the director, *or the board may provide a different method of enrollment for health insurance.*

(6) (title) AMOUNT OF LIFE INSURANCE.

(c) The amount of *life* insurance of an employe who retires on immediate annuity who has been a state employe for not less than 25 years or who has attained age 65 *or has attained age 60 and been mandatorily retired pursuant to s. 66.906 (1) (c)* shall be the same as if he had not retired and his earnings had continued as at the time of his retirement.

SECTION 10. 66.919 (8) (b) and (c) of the statutes are repealed.

SECTION 11. 66.919 (8), (9) and (10) of the statutes are renumbered 66.919 (11), (12) and (13), respectively, and amended to read:

66.919 (11) CANCELLATION AND TERMINATION OF LIFE OR HEALTH INSURANCE. (a) An insured employe may at any time cancel his *life or health insurance* by filing * * * a waiver of such coverage * * * *with his employing office; similarly an insured retired employe may at any time cancel his life or health insurance by filing a waiver of such coverage with the office of his retirement system. Such waiver shall be transmitted forthwith to the director. Such waiver shall be effective and such * * * insurance shall cease at the end of the pay period which begins after the waiver is received * * * by such office.*

(d) The * * * board may provide for the continuance or suspension of insurance coverage during any month in which no earnings are received and during any leave of absence or period of disability as defined by the board.

(12) To be eligible for continuance of * * * insurance as a retired employe, an insured employe must (a) be entitled to a disability annuity or (b) * * * be entitled to an immediate annuity, and must meet all requirements for annuity including filing of application where necessary * * * whether or not final administrative action has been taken. *In the case of group life insurance, however, except in case of disability annuity, such retired employe shall have been a state employe for at least 25 years, or have attained age 65, or have attained age 60 and been mandatorily retired pursuant to s. 66.906 (1) (c).*

(13) The group * * * insurance provided under this section shall be administered by the director in conformity with the rules prescribed by the * * * board.

SECTION 12. 66.919 (6) (e) of the statutes is renumbered 66.919 (10) and is amended to read:

66.919 (10) *For the insurance premium withholding purposes of this section * * * an insured state employe on more than one state payroll or paid from more than one appropriation shall * * * have premium deductions made only * * * under that agency or appropriation from which he receives the greater portion of his earnings * * *. For purposes of state contributions s. 20.903 shall be applicable.*

SECTION 13. 66.919 (7) of the statutes is renumbered 66.919 (8) and 66.919 (8) (a), (c) and (d) are amended to read:

66.919 (8) PAYMENT OF PREMIUMS FOR LIFE INSURANCE. (a) There shall be withheld from the earnings payment of each insured employe under the age of 65 and from retirement benefits paid to annuitants under age 65 pursuant to par. (cc) the sum approved by the * * * board, which shall not exceed 60 cents for each \$1,000 of his group life insurance under this section, based upon the last amount of insurance in force during the month for which such earnings are paid. The equivalent premium may be fixed by the * * * board if the annual compensation is paid in other than 12 monthly instalments. Such withholdings shall be remitted to the director by the respective boards, departments or other units in which such employes are employed and by the respective retirement systems for insured annuitants, in the manner and within the time limit fixed by rule. All money received by the director pursuant to this section shall be deposited with the state treasurer to the credit of s. 20.408 (41).

(c) Beginning with the month in which an insured employe is retired on an immediate annuity and * * * *has attained* age 65, or is retired on a disability annuity, no further withholdings from his earnings or *retirement benefits* shall be made under this subsection and the cost of *life insurance* for such employe pursuant to sub. (6) shall be paid by the state.

(d) The state shall contribute toward the payment of premiums under this * * * *subsection* an amount, which together with the employe's contribution, will equal the gross monthly premium for such employe's insurance. Any contribution which may be required from the state shall be made in accordance with s. 20.551 (14) * * *.

SECTION 14. 66.919 (11) (b) and (14) of the statutes are created to read:

66.919 (11) (b) The life and health insurance shall terminate as provided in the contract or contracts therefor, which contract or contracts shall also provide an option for an employe to convert insurance coverage upon termination of employment.

(14) EXTENSION OF COVERAGE. The board may by rule provide that persons who are otherwise eligible and who retire during the calendar year 1959 may be eligible.

SECTION 15. 66.919 (7) and (9) of the statutes are created to read:

66.919 (7) HEALTH INSURANCE DEFINED; CONTRACTS. (a) As used in this section "health insurance" means contractual arrangements with one or more third parties for the full or partial payment, which may include indemnity or service benefits or both, of the financial expense incurred as a result of the injury or illness of an insured state employe or insured annuitant or of an insured dependent of such person. Such expense may include hospitalization, surgery and medical care, as well as ancillary items or services. Contracts for payment of the foregoing, plus other related benefits which may be negotiated by the board, shall be made with corporations licensed to transact disability insurance under s. 201.04 (4), or with corporations organized under and whose contracts are issued in accordance with s. 148.01 (3) or 182.032.

(b) The board by rule shall determine the possible coverage when there is or has been state employment by more than one member of a family.

(c) The board shall provide a plan or plans of standard health insurance coverage and may provide, under the contract or contracts, other coverages optional with each eligible employe and at his expense.

(9) PAYMENT OF PREMIUMS FOR HEALTH INSURANCE. (a) There shall be withheld from the earnings payment of each insured employe and from the retirement benefit of each insured retired employe (if the annuity is sufficient) the amounts of premium and at the time fixed by the board. Such withholdings shall be remitted by the respective boards, departments or other units in which such employes are employed, and by the respective retirement systems from which insured annuitants are paid, in the manner and within the time limit fixed by rule.

(b) The state shall contribute toward the payment of premiums for health insurance under this subsection an amount equal to 50 per cent of the gross premium for any insured employe, who is not an annuitant, and his dependents for the standard health insurance coverage determined by the board, but not in excess of \$6 per month. State contributions shall be made in accordance with s. 20.551 (14).

(c) An eligible employe under sub. (12) may provide for the continuance of his health insurance after retirement by authorizing the deduction of the full premium therefor from annuity payments. The board shall provide for the direct payment of premiums by the annuitant to the insurer if the premium to be withheld exceeds the annuity payment.

SECTION 16. 66.919 (8) (cc) of the statutes is created to read:

66.919 (8) (cc) Except as provided under par. (c) any insured employe who is retired on an immediate annuity and who has been a state employe for not less than 25 years or who is age 60 and is mandatorily retired pursuant to s. 66.906 (1) (c) shall continue to be covered only if he directs the deductions authorized by s. 23.14 (12), 42.52 or 66.918 (1) (a) (if the annuity is sufficient) or makes direct payments to the insurer to continue insurance coverage.

SECTION 17. Wherever the words "group life insurance" are used in ss. 20.280 (73) and (84), 20.460 (1), 20.810 (71), 20.840 (71), (81) and (91) and 20.890 (71) of the statutes, the words "and health" shall be inserted after the words "group life" and before the word "insurance" and shall delete "and (15)" wherever it appears in the above subsections. The revisor of statutes shall show the change in publishing the statutes.

SECTION 18. The health insurance provided by this act shall not be made available prior to January 1, 1960.

SECTION 19. Each person who, on the effective date of this act, is insured pursuant to s. 66.919 (6) (c) (1957 statutes) shall notwithstanding the provisions of this act continue to be insured without the payment of premiums as long as he is an annuitant.

SECTION 20. This bill is declared to be an emergency appropriation bill in accordance with the provisions of section 15.11 (2) of the statutes.

Approved July 20, 1959.
