

FIRST REGULAR SESSION

# HOUSE BILL NO. 897

93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE VOGT.

Read 1<sup>st</sup> time March 31, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2180L.01I

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## AN ACT

To repeal sections 104.517 and 104.518, and to enact in lieu thereof two new sections relating to benefits for circuit court judges, administrative law judges, and their employees.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 104.517 and 104.518, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 104.517 and 104.518, to read as follows:

104.517. 1. The board shall provide or contract, or both, for life insurance benefits for  
2 employees pursuant to sections 104.320 to 104.540, persons covered by sections 287.812 to  
3 287.855, RSMo, and for employees who are members of the judicial retirement system as  
4 provided in section 476.590, RSMo, and at the election of the state highways and transportation  
5 commission shall include employees who are members of the state transportation department  
6 employees' and highway patrol retirement system. Employees are entitled to fifteen thousand  
7 dollars of life insurance until December 31, 2000. Effective January 1, 2001, the system shall  
8 provide or contract or both for basic life insurance for employees covered under any retirement  
9 plan administered by the system pursuant to this chapter, persons covered by sections 287.812  
10 to 287.856, RSMo, for employees who are members of the judicial retirement system as provided  
11 in section 476.590, RSMo, and, at the election of the state highways and transportation  
12 commission, employees who are members of the highways and transportation employees' and  
13 highway patrol retirement system, in an amount equal to one times annual pay, subject to a  
14 minimum amount of fifteen thousand dollars. The board shall establish by rule or contract the  
15 method for determining the annual rate of pay and any other terms of such insurance as it deems  
16 necessary to implement the requirements pursuant to this section. Annual rate of pay shall not

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 include overtime or any other irregular payments as determined by the board. Such life insurance  
18 shall provide for triple indemnity in the event the cause of death is a proximate result of a  
19 personal injury or disease arising out of and in the course of actual performance of duty as an  
20 employee. **Effective July 1, 2006, the life insurance for administrative law judges in the**  
21 **division of workers' compensation covered by sections 287.812 to 287.856, RSMo, and for**  
22 **associate circuit and circuit court judges who are members of the judicial retirement**  
23 **system as provided in section 476.590, RSMo, shall provide for six times indemnity in the**  
24 **event the cause of death is a proximate result of a personal injury or disease arising out of**  
25 **and in the course of actual performance of duty as an employee. These benefits are in**  
26 **addition to all other benefits and shall be provided at no cost to the persons so covered or**  
27 **their beneficiaries.**

28         2. A conversion of such life insurance benefits shall be available. However, a member  
29 eligible to receive a lump sum death benefit as provided in subsection 4 of section 104.515 shall  
30 be entitled to convert any amount of terminated life insurance benefit in excess of the benefit  
31 provided in said section.

32         3. (1) In addition to the life insurance authorized by the provisions of subsection 1 of  
33 this section, any person for whom life insurance is provided or contracted for pursuant to such  
34 subsection may purchase, at the person's own expense and only if monthly voluntary payroll  
35 deductions are authorized, additional life insurance at a cost to be stipulated in a contract with  
36 a private insurance company or as may be required by the system if the board of trustees  
37 determines that the system should provide such insurance itself. The maximum amount of  
38 additional life insurance which may be so purchased on or after January 1, 1998, but prior to  
39 January 1, 2004, is that amount which equals six times the amount of the person's annual rate of  
40 pay, except that if such maximum amount is not evenly divisible by one thousand dollars, then  
41 the maximum amount of additional insurance which may be purchased is the next higher amount  
42 evenly divisible by one thousand dollars. The maximum amount of additional life insurance  
43 which may be so purchased on or after January 1, 2004, is an amount to be stipulated in a  
44 contract with a private insurance company or as may be required by the system if the board of  
45 trustees determines that the system should provide the insurance itself. The selection of a private  
46 insurance company to provide this life insurance shall be on the basis of competitive bidding.

47         (2) Any person defined in subdivision (1) of this subsection retiring on or after  
48 September 1, 1988, may retain an amount not to exceed ten thousand dollars of life insurance  
49 following the date of his or her retirement if such person makes written application for such life  
50 insurance at the same time such person's application is made to the board for retirement benefits.  
51 Any person, defined in subdivision (1) of this subsection, retiring on or after May 1, 1996, may  
52 retain an amount not to exceed sixty thousand dollars of life insurance following the date of the  
53 person's retirement if such person makes written application for such life insurance at the same

54 time such person applies to the board for retirement benefits. Such life insurance shall only be  
55 provided if such person pays the entire cost of the insurance, as determined by the board, by  
56 allowing voluntary deductions from the member's monthly retirement benefits.

57 (3) Effective January 1, 1998, in addition to the life insurance authorized in subsection  
58 1 of this section, any person for whom life insurance is provided or contracted for pursuant to  
59 such subsection may purchase, at the person's own expense and only if monthly voluntary payroll  
60 deductions are authorized, life insurance covering the person's children or the person's spouse  
61 or both the person's children and the person's spouse at coverage amounts to be determined by  
62 the board at a cost to be stipulated in a contract with a private insurance company or as may be  
63 required by the system if the board of trustees determines that the system should provide such  
64 insurance itself.

65 4. The highways and transportation employees' and highway patrol retirement system  
66 shall provide or contract or both for the death benefit for special consultants in subsection 4 of  
67 section 104.515. The highways and transportation employees' and highway patrol retirement  
68 system may request the state highways and transportation commission to administer the death  
69 benefit. If the state highways and transportation commission accepts the obligation to administer  
70 the death benefit, the highways and transportation employees' and highway patrol retirement  
71 system shall reimburse the state highways and transportation commission for any costs or  
72 expenses of administering the death benefit.

73 5. To the extent that the board enters or has entered into any contract with any insurer  
74 or service organization to provide life insurance provided for pursuant to this section:

75 (1) The obligation to provide such life insurance shall be primarily that of the insurer or  
76 service organization and secondarily that of the board;

77 (2) Any member who has been denied life insurance benefits by the insurer or service  
78 organization and has exhausted all appeal procedures provided by the insurer or service  
79 organization may appeal such decision by filing a petition against the insurer or service  
80 organization in a court of law in the member's county of residence; and

81 (3) The board and the system shall not be liable for life insurance benefits provided by  
82 an insurer or service organization pursuant to this section and shall not be subject to any cause  
83 of action with regard to life insurance benefits or the denial of life insurance benefits by the  
84 insurer or service organization unless the member has obtained judgment against the insurer or  
85 service organization for life insurance benefits and the insurer or service organization is unable  
86 to satisfy that judgment.

104.518. 1. The board shall provide or contract, or both, for disability income benefits  
2 for employees pursuant to sections 104.320 to 104.540, and persons covered by the provisions  
3 of sections 287.812 to 287.855, RSMo, and an employee covered pursuant to the provisions of  
4 subdivision (4) of subsection 1 of section 476.515, RSMo, as follows:

5 (1) Members of the water patrol who qualify for receiving benefits pursuant to  
6 subsection 1 of section 104.410 are not eligible for benefits pursuant to this section. Members  
7 of the water patrol who do not qualify for receiving benefits pursuant to subsection 1 of section  
8 104.410 are eligible for benefits pursuant to this section;

9 (2) Effective January 1, 1986, employees other than members of the water patrol who  
10 qualify for receiving benefits pursuant to subsection 1 of section 104.410 shall be eligible for  
11 coverage on the first of the month following the date of employment;

12 (3) Definitions of disability and other rules and procedures necessary for the operation  
13 and administration of the disability benefit shall be established by the board provided that such  
14 definitions, rules and procedures may be established in any contract between the board and any  
15 insurer or service organization to provide the disability benefits provided for pursuant to this  
16 section or in any policy issued to the board by such insurer or service organization;

17 (4) An employee may elect to waive the receipt of the disability benefit provided for  
18 pursuant to this section at any time.

19 2. To the extent that the board enters or has entered into any contract with any insurer  
20 or service organization to provide the disability benefits provided for pursuant to this section:

21 (1) The obligation to provide such disability benefits shall be primarily that of the insurer  
22 or service organization and secondarily that of the board;

23 (2) Any member who has been denied disability benefits by the insurer or service  
24 organization and has exhausted all appeal procedures provided by the insurer or service  
25 organization may appeal such decision by filing a petition against the insurer or service  
26 organization in a court of law in the member's county of residence;

27 (3) The board and the system shall not be liable for the disability benefits provided for  
28 by an insurer or service organization pursuant to this section and shall not be subject to any cause  
29 of action with regard to disability benefits or the denial of disability benefits by the insurer or  
30 service organization unless the member has obtained judgment against the insurer or service  
31 organization for disability benefits and the insurer or service organization is unable to satisfy that  
32 judgment;

33 (4) **Effective July 1, 2006, in the event the cause of disability is a proximate result**  
34 **of a personal injury or disease arising out of and in the course of actual performance of a**  
35 **duty as an employee for an administrative law judge in the division of workers'**  
36 **compensation covered by sections 287.812 to 287.856, RSMo, or an associate circuit or**  
37 **circuit court judge covered by the judicial retirement system as provided in section**  
38 **476.590, RSMo, triple disability benefits shall be provided, in addition to all other benefits**  
39 **heretofore provided, at no cost to the persons so covered or their beneficiaries.**