

February 28, 1963.

Passed on File. *Insurance* <sup>3/11</sup> By DENMAN, KNOWLES, ANDERSEN of Woodbury and COFFMAN.

**House File 522**

Passed House, Date..... Passed Senate, Date.....  
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....  
Approved.....

**A BILL FOR**

An Act relating to life, health and accident insurance by employees of the state, county, school district, city, town or institution supported by public funds.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. Section three hundred sixty-five A point one  
2 (365A.1), Code 1962, is repealed and the following enacted in  
3 lieu thereof:

4 "The governing body of the state, county, school district,  
5 city, town or any institution supported in whole or in part by  
6 public funds may establish plans for and procure group insurance  
7 health or medical service for the employees of the state,  
8 county, school district, city, town or tax-supported institution."

1 Sec. 2. Subsection two (2) of section three hundred sixty-  
2 five A point two (365A.2), Code 1962, is repealed and the  
3 following enacted in lieu thereof:

4 "Contributions authorized by the governing body from the  
5 general fund of the public body in amounts not exceeding the  
6 aggregate amounts assessed against and collected from employees  
7 who elect to participate in any such plan. The funds for each  
8 plan shall be kept separately."

1 Sec. 3. Section three hundred sixty-five A point three  
2 (365A.3), Code 1962, is amended as follows:

3 1. By striking from line six (6) the words "city council"

4 and inserting in lieu thereof the words "governing body".

5 2. By striking from line eight (8) the word "city" and  
6 inserting in lieu thereof the words "public body".

1 Sec. 4. Section three hundred sixty-five A point four  
2 (365A.4), Code 1962, is amended by striking from line five  
3 (5) the words "city council" and inserting in lieu thereof  
4 the words "governing body".

1 Sec. 5. Section three hundred sixty-five A point five  
2 (365A.5), Code 1962, is amended as follows:

3 1. By striking from line four (4) the words "city council"  
4 and inserting in lieu thereof the words "governing body".

5 2. By striking from lines six (6) and seven (7) the words  
6 "city council" and inserting in lieu thereof the words "governing  
7 body".

1 Sec. 6. Section three hundred sixty-five A point six (365A.6),  
2 Code 1962, is amended as follows:

3 1. By striking from line two (2) the words "city council"  
4 and inserting in lieu thereof the words "governing body".

5 2. By striking from line two (2) the word "nonprofit".

6 3. By inserting in line four (4) after the word "chapter"  
7 the figures "509,".

8 4. By striking from line twelve (12) the word "nonprofit".

9 5. By inserting in line fourteen (14) after the word  
10 "chapter" the word and figures "509 or".

1 Sec. 7. Section three hundred sixty-five A point seven  
2 (365A.7), Code 1962, is amended as follows:

3 1. By striking from line four (4) the word "city" and  
4 inserting in lieu thereof the words "public body".

5 2. By striking from line twelve (12) the word "city" and  
6 inserting in lieu thereof the words "public body".

1 Sec. 8. Section three hundred sixty-five A point eight  
2 (365A.8), Code 1962, is amended by striking from lines one  
3 (1) and two (2) the words "city council of cities" and  
4 inserting in lieu thereof the words "governing body of public  
5 bodies".

1 Sec. 9. Section three hundred sixty-five A point ten  
2 365A.10), Code 1962, is amended as follows:

3 1. By striking from line two (2) the words "city council"  
4 and inserting in lieu thereof the words "governing body".

5 2. By striking from line three (3) the words "city council"  
6 and inserting in lieu thereof the words "governing body".

7 3. By striking from line eight (8) the words "city council"  
8 and inserting in lieu thereof the words "governing body".

1 Sec. 10. Section three hundred sixty-five A point eleven  
2 (365A.11), Code 1962, is amended as follows:

3 1. By repealing subsection one (1) and inserting in lieu  
4 thereof the following:

5 "The words 'governing body' means the executive council of  
6 the state, the board of supervisors of counties, school boards,  
7 the city or town council of cities or towns and the superintendent  
8 or other person in charge of an institution supported in whole  
9 or in part by public funds".

10 2. By repealing subsection two (2) and inserting in  
11 lieu thereof the following:

12 "The words 'public body' means the state, a county, school  
13 district, city, town or institution supported in whole or in  
14 part by public funds".

1     Sec. 11. Section five hundred nine point four (509.4),  
2 Code 1962, is amended by striking from lines five (5), six (6)  
3 and seven (7) the words "where the total number of employees to  
4 be insured is less than twenty-five and more than four" and  
5 inserting in lieu thereof the words "including the state, a  
6 county, a school district, city, town or institution supported  
7 in whole or in part by public funds, but the number of employees  
8 to be insured must be more than four".

#### EXPLANATION OF HOUSE FILE 522

The purpose of this bill is to permit employees of the state, a county, a school district, city, town or institution supported in whole or in part by public funds, to buy group insurance from a company of their choice. Under the present law, an employee of the state, a county, a school district, city, town or institution supported by public funds must buy health and accident insurance from a nonprofit corporation. Even if a profit corporation can offer insurance at a lower rate than a nonprofit corporation, employees of the state, a county, school district, city, town or institution supported in whole or in part by public funds must buy their group insurance from the nonprofit corporation.