2015 Regular Session

HOUSE CONCURRENT STUDY REQUEST NO. 1

BY REPRESENTATIVE HARRISON

INSURANCE/GROUP-STATE: Urges and requests the Office of Group Benefits to study the cost for certain school boards to terminate participation in the program

1	A CONCURRENT STUDY REQUEST
2	To urge and request the Office of Group Benefits to study the cost for the local school board
3	of Assumption Parish to terminate its participation in the programs offered through
4	the Office of Group Benefits and to submit a written report of findings to the House
5	Committee on Appropriations and the Senate Committee on Finance not later than
6	sixty days prior to the beginning of the 2016 Regular Session of the Legislature of
7	Louisiana.
8	WHEREAS, R.S. 42:801, et seq. provides for group insurance for certain government
9	employees through programs administered by the Office of Group Benefits; and
10	WHEREAS, R.S. 42:811 authorizes groups participating in a program offered
11	through the office to terminate its participation under certain circumstances; and
12	WHEREAS, prior to withdrawing from a program offered by the office, a group is
13	required to pay an actuarially determined pro rata share of any accrued liabilities of the
14	program; and
15	WHEREAS, the group withdrawing is assessed for its estimated pro rata share of
16	incurred but not reported (IBNR) claims liability for the run out of incurred claims and any
17	group-specific known accounts payable; and
18	WHEREAS, the pro rata share is determined by prorating the current IBNR by the
19	total plan membership to develop a per-member IBNR factor and applying the per-member
20	IBNR factor to the membership count of the group terminating its participation from the
21	program; and

1 WHEREAS, for local school boards located in smaller parishes, the cost of 2 termination based on current assessments may be cost-prohibitive, leaving the local school 3 boards with no option but to remain in the program. 4 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the Office of Group Benefits to study the cost for the local school board of 5 6 Assumption Parish to terminate its participation in the programs offered through the Office 7 of Group Benefits. 8 BE IT FURTHER RESOLVED that the Office of Group Benefits shall submit a 9 written report of its findings to the House Committee on Appropriations and the Senate 10 Committee on Finance not later than sixty days prior to the beginning of the 2016 Regular 11 Session of the Legislature of Louisiana. 12 BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted 13 to the chief executive officer of the Office of Group Benefits and the commissioner of

14 administration.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HCSR 1 Original

2015 Regular Session

Harrison

Urges and requests the Office of Group Benefits to study the cost for the local school board of Assumption Parish to terminate its participation in the programs offered through the office.