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Senate Bill No. 437

(By Senators Prezioso, Beach, Carmichael, D. Hall, Kessler, Walters, Williams and Plymale)

[Introduced February 9, 2015; referred to the Committee on Government Organization; and then
to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §5-16-4 of the Code of West Virginia, 1931, as amended, relating to
membership of Public Employees Insurance Agency finance board.

Be it enacted by the Legislature of West Virginia:

That §5-16-4 of the Code of West Virginia, 1931, as amended, be amended and reenacted
to read as follows:

ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.

**§5-16-4. Public Employees Insurance Agency Finance Board continued; qualifications, terms
and removal of members; quorum; compensation and expenses; termination date.**

(a) The Public Employees Insurance Agency Finance Board is continued and consists of the
Secretary of the Department of Administration or his or her designee and ~~ten~~ twelve members
appointed by the Governor, with the advice and consent of the Senate, for terms of four years and
each may serve until his or her successor is appointed and qualified. Members may be reappointed
for successive terms. No more than ~~six~~ seven members, including the Secretary of the Department
of Administration, may be of the same political party.

1 (b) (1) Of the ~~ten~~ twelve members appointed by the Governor with advice and consent of the
2 Senate, one member shall represent the interests of education employees, one shall represent the
3 interests of public employees, one shall represent the interests of retired employees, one shall
4 represent the interests of organized labor, one shall represent the interests of a participating political
5 subdivision, one shall be an executive level employee from the insurance industry, and one shall
6 represent the interest of higher education, and five shall be selected from the public at large. The
7 Governor shall appoint the member representing the interests of education employees from a list of
8 three names submitted by the largest organization of education employees in this state. The
9 Governor shall appoint the member representing the interests of organized labor from a list of three
10 names submitted by the state's largest organization representing labor affiliates. The Governor shall
11 appoint the member representing higher education from a list of three names submitted by the state
12 institution of higher education with the most full-time employees. The five members appointed from
13 the public shall each have experience in the financing, development or management of employee
14 benefit programs.

15 (2) All appointments shall be selected to represent the different geographical areas within the
16 state and all members shall be residents of West Virginia. No member may be removed from office
17 by the Governor except for official misconduct, incompetence, neglect of duty, neglect of fiduciary
18 duty or other specific responsibility imposed by this article or gross immorality.

19 (c) The Secretary of the Department of Administration ~~shall serve~~ serves as chair of the
20 finance board, which shall meet at times and places specified by the call of the chair or upon the
21 written request to the chair of at least two members. The Director of the Public Employees Insurance
22 Agency ~~shall serve~~ serves as staff to the board. Notice of each meeting shall be given in writing to

1 each member by the director at least three days in advance of the meeting. ~~Six~~ Seven members
2 ~~constitute~~ is a quorum. The board shall pay each member the same compensation and expense
3 reimbursement that is paid to members of the Legislature for their interim duties for each day or
4 portion of a day engaged in the discharge of official duties.

5 (d) Upon termination of the board and notwithstanding any provisions in this article to the
6 contrary, the director is authorized to assess monthly employee premium contributions and to change
7 the types and levels of costs to employees only in accordance with this subsection. Any assessments
8 or changes in costs imposed pursuant to this subsection shall be implemented by legislative rule
9 proposed by the director for promulgation pursuant to the provisions of article three, chapter twenty-
10 nine-a of this code. Any employee assessments or costs previously authorized by the finance board
11 shall then remain in effect until amended by rule of the director promulgated pursuant to this
12 subsection.

NOTE: The purpose of this bill is to increase the membership of the PEIA Finance Board to include an insurance industry representative and a representative from higher education.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.