

**WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION**

Form #5

Do Not Mark In This Box

12-27-99

**NOTICE OF AGENCY ADOPTION OF A PROCEDURAL OR INTERPRETIVE RULE
OR A LEGISLATIVE RULE EXEMPT FROM LEGISLATIVE REVIEW**

AGENCY: Public Employees Insurance Agency TITLE NUMBER: 151

CITE AUTHORITY: W.Va. Code § 5-16-24

RULE TYPE: PROCEDURAL _____ INTERPRETIVE _____

EXEMPT LEGISLATIVE RULE X

CITE STATUTE(S) GRANTING EXEMPTION FROM LEGISLATIVE REVIEW

W.Va. Code § 5-16-24

AMENDMENT TO AN EXISTING RULE: YES X NO _____

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 1

TITLE OF RULE BEING AMENDED: Legislative Rules Pertaining to the General

Administration of the West Virginia Insurance Plan

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: _____

TITLE OF RULE BEING PROPOSED: _____

THE ABOVE RULE IS HEREBY ADOPTED AND FILED WITH THE SECRETARY OF STATE. THE

EFFECTIVE DATE OF THIS RULE IS January 1, 2000


Authorized Signature

Cecil H. Underwood
Governor



Robert L. Ayers, ARM
Executive Director

WV Toll-free: 1-888-680-PEIA • Phone: 1-304-558-7850 • Fax: 1-304-558-2516 • Internet: www.peia.state.wv.us

December 22, 1999

Ms. Judy Cooper; Director
Administrative Law Division
State of West Virginia
Secretary of State's Office
State Capitol Complex
Building 1, Suite 157-K
1900 Kanawha Blvd., East
Charleston, West Virginia 25305

Dear Ms. Cooper:

Attached is a completed Notice of a Legislative Rule Exempt from Legislative Review form and amended Legislative Rules Pertaining to the General Administration of the West Virginia Insurance Plan.

Should you have any questions, please feel free to contact me at 558-6244 extension 226.

Sincerely,

A handwritten signature in black ink that reads "B. Keith Huffman". The signature is written in a cursive style with a large, sweeping flourish at the end.

B. Keith Huffman
General Counsel

BKH:ksc

Attachments

TITLE 151
LEGISLATIVE RULES
PUBLIC EMPLOYEES INSURANCE ACT

SERIES 1
LEGISLATIVE RULES PERTAINING TO THE GENERAL
ADMINISTRATION OF THE WEST VIRGINIA INSURANCE PLAN

OFFICE OF THE
LEGISLATIVE COUNSEL
STATE OF WEST VIRGINIA

§151-1-1. General.

1.1. Scope. -- These legislative rules implement the provisions of W. Va. Code §5-§6 et seq. pertaining to the general administration of the West Virginia Public Employees Insurance Plan.

1.2. Authority. -- W. Va. Code §5-16.

1.3. Filing Date. -- December 22, 1999.

1.4. Effective Date. -- January 1, 2000.

1.5. Amendments to Rules. -- Amendments to these rules may be made at any meeting of the Board, by vote of a majority of the quorum: Provided, That the requirements of W. Va. Code §29A-1-1 et seq. are met.

§151-1-2. Definitions.

2.1. Definitions. -- The terms "Board," "Employee," "Retired Employee" and "Employer," as used in these rules, shall have the same definitions as these terms are given in W. Va. Code §5-16-2. The following words and phrases as used in these rules, unless a different meaning is clearly indicated by context, shall have the following meanings:

2.1.1a. "Carrier" shall mean any agency, corporation, insurance company, state fund or service organization engaged in the business of providing insurance coverage contemplated by the Board.

2.1.1b. "Children" shall mean unmarried children between birth and age nineteen (19) and shall include: (1) The employee's natural children, (2) legally adopted children, including

children living with the employee during the period of probation, (3) step-children residing in the employee's household and (4) other children fully dependent upon the employee for support and maintenance and residing in the household of which the employee is head and actually being supported by the employee. Children may be included after the attainment of age nineteen (19), but not beyond the attainment of age twenty-five (25) if they are enrolled as full-time students, are unmarried, and are fully dependent upon the employee for support. Children may also be included after the attainment of age nineteen (19) while incapable of self-support because of mental illness, mental retardation or a physical disability, if the child was dependent upon the employee for support and maintenance at the onset of the mental illness, mental retardation or physical disability. For the purpose of this section, mental illness includes "Addiction" as defined in W. Va. Code §27-1-11 and is defined as a manifestation in a person of significantly impaired capacity to maintain acceptable levels of functioning in the areas of intellect, emotion and physical well-being, only if such impairment renders the person dangerous to himself or others or such person is substantially unable to protect himself from significant hazard: Provided, That children included because of addiction as heretofore defined, shall not be included beyond the attainment of age twenty-five (25).

2.1.1c. "Dependent" shall mean the employee's spouse, if legally married and eligible children, as defined in Section 2.1b of these rules.

2.1.1d. "Dependent of a Deceased Covered Member" shall mean the surviving spouse and/or eligible children of a deceased employee or retiree of the State of West Virginia who died on or after February 1, 1972, and the

surviving spouse and/or eligible children of a deceased employee or retiree of all other participating agencies who dies on or after November 1, 1972.

2.1.1e. "Enrollment Period" shall mean the period of time in which a member of an eligible group specified in Section 3.2 of these rules may enroll in the Plan without submitting evidence of insurability or being subject to the limitations as specified in Section 4.1 of these rules.

2.1.1f. "Full-time" shall mean a permanent position that is considered full-time by the participating agency and that requires at least twenty (20) hours per week or one thousand forty (1,040) hours per year in that position, unless otherwise exempted from this requirement by the West Virginia Code.

2.1.1g. "Plan" shall mean the West Virginia Public Employees Insurance Plan.

§151-1-3. Establishment And Implementation Of The Plan.

3.1. Preliminary negotiations. -- The Chairman or, at the direction of the Board, the Executive Secretary, may enter into preliminary negotiations with carriers for the purpose of obtaining information for the Board in establishing plans.

3.2. Determination of participants.

3.2a. All elected officials and full-time employees of the State of West Virginia, West Virginia Board of Regents, county boards of education, counties, cities and towns and other governmental bodies so specified in W. Va. Code §5-16-2 and their dependents as defined by these rules, may participate in the Plan, subject to the criteria set forth in Section 4 of these rules.

3.2b. All employees of the State of West Virginia who retired after April 29, 1971; all employees of the West Virginia Board of Regents or of the County Boards of Education who retired after April 21, 1972; all employees of any county, city or other participating agency who retired after

July 13, 1973; and their spouses and dependents as defined by these rules may participate at the retirees own expense for the total cost of the coverage, subject to the criteria set forth in Section 4 of these rules and the provisions for earned extended insurance coverage set forth in Section 12 of these rules.

All dependents of deceased covered members, as defined by these rules, may participate at their own expense for the total cost of the coverage, subject to the criteria set forth in Section 4 of these rules.

3.2c. Any employee who retired prior to April 21, 1972, and who also otherwise meets the conditions of the "Retired Employee" definition in Section 2 of this rule, shall be eligible for insurance coverage under the same terms and provisions of this rule. The premium cost for any such coverage shall be borne by the retired employee and the rates for such coverage shall accurately reflect the total cost of such coverage and shall not be subsidized by the rate structure for any other insurance programs administered pursuant to the West Virginia Public Employees Insurance Act.

A surviving spouse and dependents of a deceased employee, who was either an active or retired employee just prior to such decease, shall be entitled to be included in any group insurance coverage provided under this rule, and such spouse and dependents shall bear the premium cost of such insurance coverage and the rates for such coverage shall accurately reflect the total cost of such coverage and shall not be subsidized by any other insurance programs administered pursuant to the West Virginia Public Employees Insurance Act.

3.2d. On or after January 1, 2000, an individual between the ages of fifty and fifty-five years, inclusive, who is eligible to and retires under the West Virginia Deputy Sheriff's Retirement System shall be eligible for insurance coverage under this rule subject to the provisions of section 4 hereof. The premium cost for such coverage shall be borne by the retired individual. The premium amounts for such coverage shall be set and adjusted as necessary, by the public

employees insurance agency, shall reflect the total cost to provide such coverage and shall not be subsidized by any, or any portion of any other program, fund, group or other entity subject to or administered under the West Virginia Public Employees Act. Such individuals may not use accrued annual leave or sick leave to purchase health insurance hereunder until reaching age fifty-five.

3.3. Benefits. -- The coverages provided for the various classes of participants shall be limited by the provisions of W. Va. Code §5-16 et seq. by these rules and by the terms of the insurance contracts entered into by the Board.

3.4. Informational material.

3.4a. The Board shall provide to each participant informational material, in booklet or other format deemed appropriate, setting forth the benefits to which the participant is entitled, to whom such benefits shall be payable, to whom claims shall be submitted and a summary of the provisions of any such contract or contracts as they affect the participant.

3.4b. Such informational material shall not, however, constitute any binding agreement or any obligation on behalf of the Board to provide services and any interpretation by anyone other than the Board shall be invalid.

3.4c. The Board shall periodically prepare and distribute revised informational material for the purpose of notifying participants of their current benefits and any significant changes in the plan provisions, policies or procedures.

3.4d. In the interim period between the preparation and distribution of such revised informational material, the Board shall be responsible for notifying the participating agencies of such changes, and the participating agencies shall, in turn, be responsible for the dissemination of such information to the participants.

3.5. Bids.

3.5a. Following the development of the Plan or Plans, the Board shall, in writing, invite competent bids from all carriers who are determined by the State Department of Insurance to be properly qualified and licensed to provide the desired coverage. The invitations shall prescribe the time limit for filing bids.

3.5b. Contracts shall be awarded by the Board within a reasonable time after the time limit prescribed by the invitations for filing bids.

§151-1-4. Participation In The Plan.

4.1. Employee participation.

4.1a. Eligible employees and their dependents may enroll in the Plan by completing a form prescribed by the Board and filing same with the payroll officer of the employing agency.

4.1b. The initial enrollment period for eligible employees and their dependents shall be the month in which the employee becomes employed by a participating agency and the immediately following month.

4.1c. The initial enrollment period for newly acquired dependents of a participating employee shall, however, be the month in which the dependent becomes an eligible dependent and the immediately following month.

4.1d. If the enrollment forms are completed within the initial enrollment period, coverage shall become effective on the first day of the month following the month in which the enrollment forms are completed.

4.1e. If the enrollment forms are not completed within the time period specified in Sections 4.1b and 1c of these rules, then the employee and his/her dependents, if any, will be classified as late enrollees. As such, their coverage shall not become effective until the first day of the fourth month following their enrollment except as hereinafter provided in the following sections.

4.1f. Employees who choose not to participate in the Plan because of family coverage

on the spouses Plan, and who later lose their spouse by divorce or death, and who enroll in the Plan within the month or the immediate following month after such divorce or death occurs will not be classified as late enrollees. However, said employees who do not enroll in the Plan within this said period will be classified as late enrollees and as such will be treated pursuant to Section 4.1e of these rules.

4.1g. Employees and their dependents who are classified as late enrollees shall have a preexisting conditions limitation applied to their health coverage. No benefits are payable for expenses due to any injury, sickness or related condition which was diagnosed or treated within twelve (12) months prior to the date the late enrollee becomes covered under the Plan.

This preexisting conditions limitation for late enrollees shall remain in effect until the earliest of the following dates:

4.1g.1. Twelve (12) months following the late enrollee's effective date of coverage under the Plan; or

4.1g.2. The end of any twelve (12) month period after enrollment during which no diagnosis or treatment is received and no expenses are incurred for care of the injury, illness or related conditions.

This preexisting conditions limitation is waived for all employees and eligible dependents who enroll during their respective initial enrollment period.

4.1h. In addition to the waiting period described in Section 4.1e of these rules, proof of insurability acceptable to the Public Employees Insurance Board must be provided in the following cases before coverage becomes effective:

4.1h.1. For an employee to increase the amount of optional life coverage;

4.1h.2. For a late enrollee to enroll for basic life only coverage;

4.1h.3. For a late enrollee to enroll for optional life coverage (employee and/or dependent life).

4.2. Retiree participation.

4.2a. Participating employees and dependents may continue in the Plan upon the employee's retirement by completing a form prescribed by the Board and filing same with the payroll officer of the agency from which the employee is retiring.

4.2b. The enrollment period for persons in Section 4.2a of these rules above shall be the month in which the employee retires and the immediately following month.

4.2c. The enrollment period for newly acquired dependents of participating retirees shall, however, be the month in which the dependent becomes an eligible dependent and the immediately following month.

4.2d. Nonparticipating employees and dependents desiring coverage in the Plan upon the employee's retirement shall be required to submit evidence of insurability.

4.2e. If the enrollment forms are not completed within the enrollment period, evidence of insurability shall be required.

4.3. Dependents of deceased covered members participation.

4.3a. Dependents of deceased covered members may continue their health coverage in the Plan: Provided, That they were covered as a dependent on the deceased employee's or retiree's enrollment at the time of death, by completing a form prescribed by the Board and filing same with the payroll officer of the deceased employee's agency, or in the case of a deceased retiree, with the respective retirement system.

4.3b. Dependents of deceased covered members that do not contemplate enrolling as surviving dependents may continue under the terms of their prior enrollment, upon payment of the monthly contribution, for three (3) months

following the end of the month in which death occurs.

4.3c. Newly acquired dependents of the surviving spouse shall not be permitted to enroll in the Plan, except that a surviving spouse who is pregnant at the time of death shall be permitted to enroll the newborn child(ren).

4.3d. Eligible dependents of participating employees or retirees who died prior to February 4, 1982, may enroll at any time without requirement of submitting evidence of insurability.

4.3e. Eligible dependents of participating employees or retirees who died on or after February 4, 1982, may enroll during the month in which the participating employee or retiree died or the immediately following month without requirement of submitting evidence of insurability.

4.4. Miscellaneous.

4.4a. The official receiving the enrollment form shall certify the eligibility of the enrollee to the Executive Secretary and shall make the appropriate provision for the deduction of premium payments.

4.4b. In the case of retirees, premiums shall be withheld from retirement benefits and paid to the Board by the Board of Trustees of the respective retirement system.

4.4c. In the event that the retirement benefits are insufficient to cover the cost of the coverage, the retiree shall be responsible for submitting the entire premium to the Public Employees Insurance Board.

4.4d. In the case of dependents of deceased covered members, premiums must be submitted by the said dependent to the last payroll location of the deceased former member.

4.4e. All forms completed by the participants and forms for subsequent changes shall be transmitted to the Executive Secretary for safekeeping.

§151-1-5. Termination Of Coverage.

5.1. Voluntary termination. -- If an employee resigns voluntarily, coverage terminates at the end of the month in which the employee last appears on the payroll.

5.2. Involuntary termination prior to March 13, 1982. -- If an employee is terminated involuntarily or in a reduction of work force prior to March 13, 1982, coverage terminates at the end of the month in which the employee last appears on the payroll.

5.3. Involuntary termination on or after March 13, 1982. -- If an employee is terminated from employment involuntarily or in a reduction of work force on or after March 13, 1982, the employee's coverage shall terminate three (3) months from the end of the month in which the employee last appears on the payroll: Provided, That

5.3a. An employee discharged for misconduct shall not be eligible for continued benefits under this section.

5.3b. Coverage may be continued up to the maximum period of three (3) months while administrative remedies contesting the charge of misconduct are pursued.

5.3c. Should the discharge for misconduct be upheld, the full cost of the continued coverage shall be reimbursed by the employee.

5.4. Payment of costs during period of continued coverage. -- During the period of continued coverage in Section 5.3 above:

5.4a. An employee who has paid their share of the cost for the required twelve (12) months prior to termination shall pay no additional amount for the continued coverage.

5.4b. An employee who has not paid their share of the cost for the required twelve (12) months prior to termination shall continue paying their share of the cost, not to exceed twelve (12) months total, to the payroll location of

that prior termination, during the period of continued coverage.

5.5. Reemployment after involuntary termination. -- If an employee in Section 5.3 above is again employed or recalled within twelve (12) months of the last date on the payroll, the employee shall not be considered a new enrollee.

5.6. Responsibility of payroll location. -- The payroll location shall be responsible for the termination of employees no longer eligible for coverage under the Plan.

5.7. Coverage for dependents shall terminate at the end of the month in which they no longer meet the definition of "Dependent" set forth in Section 2.1 of these rules.

§151-1-6. Appeals Process.

6.1. In the event there is a disagreement between the carrier and any insured, the insured shall first apply to the carrier for a determination of the issue.

6.2. Disagreements between the carrier and the insured which cannot be reconciled by the procedure provided by Section 6.1 above and issues arising under the provisions of W. Va. Code §5-16 or under these rules, shall be submitted in writing to the Executive Secretary for a decision.

6.3. Decisions under Section 6.2 above shall be issued in writing by the Executive Secretary. The notice of the decision shall give the parties thirty (30) days in which to apply, in writing, to the Board for review.

6.4. In the event that such review is requested in writing within the above specified time period, and in the event the Board deems such review necessary, the Board shall direct the Executive Secretary to request the Attorney General of the State of West Virginia to provide a qualified, impartial Hearing Examiner, or direct the Executive Secretary to provide a qualified, impartial Hearing Examiner, unless otherwise directed by the chairman, for the purpose of rendering a determination. Decisions of the

Board shall be final.

§151-1-7. Nonstate Agencies.

7.1. Participation agreement. -- A participation agreement shall be executed between the participating nonstate agency and the West Virginia Public Employees Insurance Board governing the participation of said nonstate agency in the West Virginia Public Employees Insurance Plan.

7.2. Withdrawal from the Plan. -- When any participating nonstate agency chooses to withdraw from or terminate the West Virginia Public Employees Insurance Plan:

7.2a. Written thirty (30) days notice shall be required prior to formal withdrawal from the Plan.

7.2b. All nonstate agency retirees participating in the Public Employees Retirement System and covered by the Public Employees Insurance Plan prior to the effective date of these rules shall remain so covered under the conditions of their present coverage.

7.2c. All nonstate agency retirees participating in the Public Employees Retirement System and covered by the Public Employees Insurance Plan on or after the effective date of these rules shall look to the withdrawing nonstate agency for coverage.

7.2d. All nonstate agency retirees not participating in the Public Employees Retirement System shall look to the withdrawing nonstate agency for coverage.

7.2e. A twelve (12) month waiting period shall be imposed by the Board for any such nonstate agency choosing to reenter the Plan.

7.3. Participation fee. -- All nonstate agencies admitted to the Plan on or after the effective date of these rules shall, upon their formal request to participate in the Plan or for readmission to the Plan, have a one (1) time charge of twelve dollars (\$12.00) per participating employee.

7.4. Prior charges.

7.4a. When any participating nonstate agency chooses to withdraw from or terminate the Public Employees Insurance Plan, all covered charges incurred for expenses on dates up to one (1) minute past twelve a.m. on the date of termination shall be the responsibility of the Public Employees Insurance Plan.

7.4b. When any nonstate agency joins or rejoins the Public Employees Insurance Plan, all charges incurred prior to the date of coverage shall be payable by said nonstate agency or their carrier. All covered charges incurred on or after the date of coverage shall be the responsibility of the Public Employees Insurance Plan.

§151-1-8. Health Maintenance Organization (HMO).

8.1. The HMO Option. -- Eligible employees and dependents who live within the specified area in which a Health Maintenance Organization has been authorized to operate by the Insurance Commissioner of the State of West Virginia shall have the option of remaining with the Public Employees Insurance Plan or joining the HMO for a contract period of one (1) year. Should the employee choose the HMO Option:

8.1a. An enrollment form prescribed by the Board must be completed during the period from May 1 to June 30.

8.1b. A copy of the HMO application must accompany the enrollment form prescribed by the Board.

8.1c. The one (1) year contract period shall be from July 1 of a given year to June 30 of the following year.

8.1d. The basic life insurance coverage and the optional life insurance coverage may be continued under the Public Employees Insurance Plan.

8.2. Terminations.

8.2a. If, during the course of the one (1)

year contract period while covered by the HMO plan, the insured wishes to terminate coverage under the HMO plan, a written thirty (30) day notice must be given the insuring HMO. However, the insured will not be allowed to continue health coverage under the Public Employees Insurance Plan until the end of the one (1) year contract period, unless either the HMO becomes insolvent, or the employee is transferred outside of the area in which the HMO has been authorized to operate.

8.2b. If, at the end of the one (1) year contract period, the insured wishes to terminate coverage under the HMO plan, evidence of insurability shall not be required to reenroll for health coverage in the Public Employees Insurance Plan: Provided, That the employee completes a form prescribed by the Board within thirty-one (31) days after the end of the contract period.

8.3. Contributions.

8.3a. In the case of General Revenue Accounts, the Public Employees Insurance Board shall pay to the HMO that portion of the premium that is normally appropriated for health coverage.

8.3b. Any amount due the HMO in excess of the Public Employees Insurance Board premium shall be the responsibility of the employee.

8.3c. In the case of Special Revenue Accounts, the agency shall be billed directly by the HMO.

§151-1-9. Refund Policy.

9.1. Agency error. -- Where the error occurred on the part of the participating agency:

9.1a. A refund due with incurred date within the current fiscal year shall be refunded during that current fiscal year from current fiscal year funds.

9.1b. A refund due with incurred date in an immediately previous fiscal year and received up to and including July 31 of the current fiscal

year shall be made and considered as refund out of said immediately past fiscal year funds.

9.1c. A refund due with incurred date in an immediately previous fiscal year and received after July 31 of the current fiscal year shall be submitted to the court of claims by the participating agency.

9.2. Board error. -- Where the error occurred on the part of the Public Employees Insurance Board, refunds shall be made without regard to time lapsed.

§151-1-10. Administrative Expense Fund.

10.1. The Board shall annually determine such sums as may be necessary to pay the administrative costs of the Plan.

10.2. The Board shall request a General Revenue appropriation on a per capita basis to pay the proportionate share of such costs for each General Revenue employee.

10.3. Each division, agency, board, commission or department of the State which operates out of Special Revenue Funds or federal funds or both, shall pay its proportionate share of such costs on a per capita basis, said sums due at the time any individual becomes a member of the program and payable upon a statement from the Board.

10.4. The administrative expense fee for an individual shall not be prorated in the event a member terminates membership in the program or ceases to receive benefits before the completion of a year of membership.

10.5. General membership billings will occur on July 1 of each year.

§151-1-11. Miscellaneous.

11.1. Subrogation. -- In the event that benefits are paid to any insured for bodily injury caused by a third party, the Public Employees Insurance Board shall be and is hereby subrogated (substituted) with respect to any insured's right (to the extent of the value of the benefits paid) to any

claim against such third party causing such bodily injury. Acceptance of such benefits hereunder shall constitute such subrogation. The insured shall, at the request of the Public Employees Insurance Board, execute and deliver to the Board such additional evidence as the Board may from time to time require. Failure to execute such evidence as may be required shall make the insured liable to the Public Employees Insurance Board for all costs and expenses heretofore incurred by it in the insured's behalf because of such bodily injury.

11.2. Claims records. -- The carrier shall be responsible for the retention of original claim records for a period of five (5) years.

11.3. Open enrollment. -- All authority to establish an open enrollment shall rest with the Board.

§151-1-12. Earned Extended Insurance Coverage.

12.1. Eligibility.

12.1a. On or after July 1, 1984, when a participating employee is compelled or required by law to retire before reaching the age of sixty-five (65), or when a participating employee voluntarily retires as provided by law, and, in either instance, such employee becomes a retired employee within the definition of W. Va. Code 5-16-2 that employee's unpaid accrued annual leave and/or sick leave, if any, shall be credited toward an extension of the employee's insurance coverage provided under the Plan.

12.1b. A participating employee is an employee who has insurance coverage under the Plan in his/her name. An employee can qualify as a participating employee even if he/she has only basic life insurance in his/her name. A person who is merely a dependent in the Plan is not a participating employee for purposes of applying earned extended insurance coverage.

12.1c. When a participating employee retires, he/she must continue coverage in his/her own name in order to use the employee's unpaid accumulated sick and/or annual leave as a credit

for earned extended insurance coverage under the Plan.

12.1d. A retired employee who wishes to continue his/her participation in the Public Employees Insurance Board benefit plan after his/her earned extended insurance coverage has been used, must authorize a deduction from their retirement check by so indicating on their enrollment card at the time of initial enrollment. Such authorization may be revoked at any time.

A retired employee who fails to authorize the deduction must reenroll in the Public Employees Insurance Board Plan prior to their last month of earned extended insurance coverage or their participation in the Plan will be terminated on the last day of the last month of earned extended insurance coverage.

12.1e. The amount of unpaid accrued annual leave and/or sick leave to which a retired employee shall be entitled shall be the amount that would be available to the employee should he/she continue active employment in lieu of retiring, less any leave days for which he/she is paid.

12.2. Formulae. -- The following formulae shall apply: Such insurance coverage for a retired employee shall continue one (1) additional month for every two (2) days of unpaid annual leave and/or sick leave which the employee has accrued as of the effective date of the employee's retirement. For a retired employee, his spouse and dependents, such insurance coverage shall continue one (1) additional month for every three (3) days of unpaid annual and/or sick leave which the employee had accrued as of the effective date of the employee's retirement.

There shall be no partial accreditation. Only fully accumulated months shall be eligible for accreditation. That is, any odd day of unpaid sick and/or annual leave remaining after the statutory formulae has been applied, shall not be credited toward a partial or fraction of a month's earned extended insurance coverage.

12.3. Certification.

12.3a. For each employee retiring pursuant to this section, the employee's agency shall provide the following information on the employee's enrollment cards:

12.3a.1. The number of accumulated unpaid sick and/or annual leave days to be credited to earned extended insurance coverage;

12.3a.2. Whether the employee wants his/her unpaid accumulated sick and/or annual leave credited to a single or family plan;

12.3a.3. The number of months of earned extended insurance coverage as calculated by the employee's agency; and

12.3a.4. Whether the employee is a general or special revenue employee.

12.3b. The said employee's enrollment card shall be signed by the following persons:

12.3b.1. The employee's payroll clerk;

12.3b.2. The employee; and

12.3b.3. The agency's chief administrative officer or designee. This signature shall be notarized.

12.4. Family and single plan.

12.4a. The retired employee can change his/her plan from single to family or vice versa at any time. The Public Employees Insurance Board will then be responsible for recalculating the amount of remaining earned extended insurance coverage.

12.4b. If an employee changes from single to family, at the time of retirement or thereafter, the employee's dependents will be required to provide evidence of insurability acceptable to the Public Employees Insurance Board before the dependent(s) will be enrolled.

12.4c. The death of an employee with the family plan terminates any and all remaining earned extended insurance coverage. From the

date of the employee's death, the dependents shall be entitled to continue their participation and coverage in the Plan upon payment of the total cost for such coverage in accordance with Section 4.3 of these rules.

12.5. Deferred retirement. -- When a participating employee with a minimum of five (5) years vested interest leaves state employment after July 1, 1984, pursuant to Section 12.1a of these rules, but does not immediately become a member of a state retirement system, he/she can later choose to join the Public Employees Insurance Board as a retired employee and apply his/her unpaid accumulated sick and/or annual leave to earned extended insurance coverage only if said employee provides evidence of insurability acceptable to the Public Employees Insurance Board.

For each employee participating under this section of deferred retirement (12.5), the employee's agency and the employee will provide documented certification for participation as described in Section 12.3 of this rule to their respective retirement system or the Public Employees Insurance Board upon rejoining the Public Employees Insurance Board Plan.

12.6. Nonstate agency. -- Employees of nonstate agencies who retire pursuant to these rules may receive the earned extended insurance coverage only if the employee's agency pays the Public Employees Insurance Board for the amount of earned extended insurance coverage. If the agency fails to pay the Public Employees Insurance Board, then the employee's earned extended insurance coverage will be terminated.

12.7. General revenue and special revenue employees.

12.7a. The determination as to whether an employee is a General Revenue or Special Revenue employee shall be determined by the employee's status as a General Revenue or Special Revenue employee for the last month worked prior to the employee's date of retirement.

12.7b. All agencies are responsible to remit to the Public Employees Insurance Board

the monthly premiums for retired Special Revenue employees qualifying for earned extended insurance coverage for the time period of the employee's earned extended insurance coverage.

12.8. Public officials. -- In construing the provisions of this section or any other provisions of this Code, the Legislature declares that it is not now nor has it ever been the Legislature's intent that elected public officials be provided any sick leave, annual leave or personal leave, and the enactment of this section is based upon the fact and assumption that no statutory or inherent authority exists extending sick leave, annual leave or personal leave to elected public officials and the very nature of such positions preclude the arising or accumulation of such, so as to be thereafter usable as premium paying credits for which such officials may claim extended insurance benefits.

§151-1-13. Optional Life.

13.1. Employee participation.

13.1a. The Board shall make available to member employees, at full cost to the employee, the opportunity to purchase optional group life and accidental death insurance in an amount not to exceed fifty thousand dollars (\$50,000) for life insurance and fifty thousand dollars (\$50,000) for accidental death insurance.

13.1b. The Board shall also make available to member employees, at full cost to the employee, the opportunity to purchase said optional coverage for the employee's spouse and dependents, in an amount not to exceed five thousand dollars (\$5,000) for life insurance and five thousand dollars (\$5,000) for accidental death insurance for the spouse and not to exceed two thousand dollars (\$2,000) in accidental death insurance for each eligible dependent.

13.1c. The term "Dependents" shall mean the same as defined in Section 2 of these rules.