

INSURANCE AND ANNUITIES MANAGEMENT

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(LEGAL)

COMMERCIAL
INSURANCE PLANS

Associations of public employees and the governing boards and authorities of colleges are authorized to procure contracts with any insurance company authorized to do business in this state insuring their respective employees under a policy or policies of group health, accident, accidental death and dismemberment, disability income replacement, and hospital, surgical, and/or medical expense insurance, or a group contract providing for annuities. The dependents of any such employees may be insured under group policies which provide hospital, surgical, and/or medical expense insurance. *Insurance Code 3.51 1(a)*

PREMIUM PAYMENTS

The premium for the policy may be paid wholly or partly from funds contributed by the employer, the individuals insured under the policy, or the insured employees who are members of the association of employees. The employer may deduct from an employee's salary the employee's contribution for the premiums if authorized to do so in writing by that employee. *Insurance Code 3.51, 1131.303*

SELF-INSURANCE
FUND

A governmental unit, including a college district, may establish a self-insurance fund to protect the governmental unit and its officers, employees, and agents from any insurable risk or hazard. The governmental unit may issue public securities and use the proceeds for all or part of the fund or use any money available to the governmental unit for the fund.

The governmental unit may purchase reinsurance for a risk covered through the fund. Any law, including a regulation, requiring insurance may be satisfied by coverage provided through the fund. Any law, including a regulation, requiring a certificate of insurance or an insurance agent's signature, countersignature, or approval may be satisfied by a certificate of coverage issued on behalf of the governmental unit demonstrating that coverage is provided through the fund.

Gov't Code 2259.031

RISK-RETENTION
GROUPS

A governmental unit, including a college district, may become a member of a risk retention group or purchasing group created under the Liability Risk Retention Act of 1986, 15 U.S.C. 3901 et. seq., to obtain insurance against an insurable risk. *Gov't Code 2259.061*

DESIGNATED BROKER
OF RECORD

A junior college district may not use a designated broker of record to purchase insurance contracts with premiums of an aggregate value of \$50,000 or more for each 12-month period. If the district expends less than \$50,000, in the aggregate, on insurance premiums for each 12-month period, the district may use a designated broker of record to purchase insurance contracts, but the board shall ensure that the use of a designated broker of record is in the

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district's best interest and select a designated broker of record in a manner it determines is consistent with good business management. *Atty. Gen. Op. JC-205 (2000)*

DISCLOSURE OF
INTERESTED PARTIES

A governmental entity or state agency may not enter into a contract with a business entity that requires an action or vote by the governing body of the entity or agency before the contract may be signed or has a value of at least \$1 million, with certain exceptions, unless the business entity, in accordance with Government Code 2252.908 and rules adopted by the Texas Ethics Commission, submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. [See GC] *Government Code 2252.908*