



House Bill No. 5424

Public Act No. 10-174

AN ACT CONCERNING AGREEMENTS BETWEEN MUNICIPALITIES AND BOARDS OF EDUCATION FOR THE JOINT PURCHASE OF EMPLOYEE HEALTH INSURANCE AND THE DISCLOSURE OF CERTAIN INFORMATION REGARDING COMPENSATION FOR SERVICES PROVIDED BY INSURANCE PRODUCERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective October 1, 2010*) (a) Subject to the provisions of subsection (b) of this section, and the provisions of any collective bargaining agreement, a municipality or a local or regional board of education may join together with any combination of other municipalities and local or regional boards of education by written agreement as a single entity for the purpose of providing medical or health care benefits for their employees. Such written agreement shall establish the membership of such group, the duration of such benefits plan, requirements regarding payment for such benefits plan and the procedures for a municipality or local or regional board of education to withdraw from such group and terminate such benefits plan. Such agreement shall not constitute a multiple employer welfare arrangement, as defined in Section 3 of the Employee Retirement Income Security Act of 1974, as amended from time to time. Any group established pursuant to this section shall not be deemed a fictitious group. As used in this section, "municipality" means any town, city or

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borough, consolidated town and city or consolidated town and borough.

(b) Before a municipality or a local or regional board of education may enter into an agreement described in subsection (a) of this section, the legislative body of a municipality shall approve such an agreement in cases where: (1) There is an existing arrangement between a municipality and the board of education serving such municipality for the provision of medical or health care benefits to the employees of both the municipality and the board of education serving such municipality; or (2) a municipality and the board of education serving such municipality have separate medical or health care benefits plans for their respective employees and both such benefits plans are paid for by the general fund of the municipality.

Sec. 2. (NEW) (*Effective October 1, 2010*) (a) For purposes of this section, "insurance", "insurance producer" and "insurer" have the same meanings as provided in section 38a-702a of the general statutes, and "municipality" means any town, city or borough, consolidated town and city or consolidated town and borough.

(b) Any insurance producer who sells, solicits or negotiates insurance on behalf of an insurer to a municipality or local or regional board of education shall, upon request from the municipality or local or regional board of education, fully disclose, in writing, the amount of any fees or compensation such insurance producer receives from the insurer for such services pursuant to the written memorandum required under section 38a-707 of the general statutes or the Investment Advisers Act of 1940, 15 USC 80b-1, et. seq., as amended from time to time.

Approved June 8, 2010