

SENATE SUBSTITUTE TO HB 146:

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Code Section 25-3-23 of the Official Code of Georgia Annotated, relating to
 2 general requirements for legally organized fire departments, so as to require such fire
 3 departments to provide and maintain certain insurance coverage for firefighters; to provide
 4 methods for funding; to provide for rules and regulations; to amend Chapter 85 of Title 36
 5 of the Official Code of Georgia Annotated, relating to interlocal risk management agencies,
 6 so as to change certain provisions relating to definitions; to change certain provisions relating
 7 to formation and functions of such agencies; to change certain provisions relating to
 8 certificates of authority and applications; to amend Code Section 48-7-27 of the Official
 9 Code of Georgia Annotated, relating to computation of Georgia taxable net income, so as to
 10 provide an exemption for benefits received from and a deduction for premiums paid for said
 11 insurance coverage for firefighters; to provide an effective date; to repeal conflicting laws;
 12 and for other purposes.

13 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

14 **SECTION 1.**

15 Code Section 25-3-23 of the Official Code of Georgia Annotated, relating to general
 16 requirements for legally organized fire departments, is amended by revising subsections (b)
 17 and (c) as follows:

18 "(b)(1) A legally organized fire department shall ~~purchase~~ provide and maintain
 19 sufficient insurance coverage on each member of the fire department to pay claims for
 20 injuries sustained en route to, during, and returning from fire calls or other emergencies
 21 and disasters and scheduled training sessions.

22 (2)(A) As used in this paragraph, the term:

23 (i) 'Cancer' means bladder, blood, brain, breast, cervical, esophageal, intestinal,
 24 kidney, lymphatic, lung, prostate, rectum, respiratory tract, skin, testicular, and
 25 thyroid cancer; leukemia; multiple myeloma; or non-Hodgkin's lymphoma.

26 (ii) 'Firefighter' means a firefighter as defined in Code Section 25-4-2.

27 (iii) 'Volunteer' means a volunteer as defined in Code Section 25-4-2.

28 (B) On and after January 1, 2018, a legally organized fire department shall provide and
 29 maintain sufficient insurance coverage on each member of the fire department who is
 30 a firefighter to pay claims for cancer diagnosed after having served 12 consecutive
 31 months as a firefighter with such fire department. Such insurance benefits shall include
 32 at minimum the following:

33 (i)(I) A lump sum benefit of \$25,000.00 subject to limitations specified in the
 34 insurance contract and based on severity of cancer and payable to such firefighter
 35 upon submission to the insurance carrier or other payor of acceptable proof of
 36 diagnosis by a physician board certified in the medical specialty appropriate for the
 37 type of cancer involved that there are one or more malignant tumors characterized by
 38 the uncontrollable and abnormal growth and spread of malignant cells with invasion
 39 of normal tissue and that:

40 (a) Surgery, radiotherapy, or chemotherapy is medically necessary;

41 (b) There is metastasis; or

42 (c) The firefighter has terminal cancer, is expected to die within 24 months or less
 43 from the date of diagnosis, and will not benefit from, or has exhausted, curative
 44 therapy; or

45 (II) A lump sum benefit of \$6,250.00 subject to limitations specified in the
 46 insurance contract and based on severity of cancer and payable to such firefighter
 47 upon submission to the insurance carrier or other payor of acceptable proof of
 48 diagnosis by a physician board certified in the medical specialty appropriate for the
 49 type of cancer involved that:

50 (a) There is carcinoma in situ such that surgery, radiotherapy, or chemotherapy
 51 has been determined to be medically necessary;

52 (b) There are malignant tumors which are treated by endoscopic procedures
 53 alone;

54 (c) There are malignant melanomas; or

55 (d) There is a tumor of the prostate, provided that it is treated with radical
 56 prostatectomy or external beam therapy; and

57 (ii) Payable as a result of a specific injury or illness to begin six months after
 58 disability and submission to the insurance carrier or other payor of acceptable proof
 59 of disability precluding service as a firefighter and continuing for up to 36
 60 consecutive monthly payments:

61 (I) A monthly benefit equal to 60 percent of the member's monthly salary as an
 62 employed firefighter with the fire department or a monthly benefit of \$5,000.00,
 63 whichever is less; or

64 (II) If the member is a volunteer, a monthly benefit of \$1,500.00.

65 The benefit under subdivision (I) or (II) of this division, as applicable, shall be
 66 subordinate to any other benefit actually paid to the firefighter for such disability from
 67 any other source, not including insurance purchased solely by the firefighter, and shall
 68 be limited to the difference between the amount of such other paid benefit and the
 69 amount specified under subdivision (I) or (II) of this division, as applicable.

70 (C) The combined total of all benefits received by any firefighter under
 71 subdivisions (B)(i)(I) and (B)(i)(II) of this paragraph during his or her lifetime shall not
 72 exceed \$50,000.00.

73 (D) With the exception of the benefit under subdivision (B)(ii)(I) of this paragraph, any
 74 person who was simultaneously a member of more than one fire department at the time
 75 of diagnosis shall not be entitled to receive benefits under this paragraph from or on
 76 behalf of more than one of such fire departments. In the event a volunteer of one fire
 77 department is simultaneously employed by another fire department, the fire department
 78 for which such person is a volunteer shall not be required to maintain the coverage on
 79 such volunteer otherwise required under this subsection during the period of such
 80 employment. Any member who receives benefits under division (ii) of subparagraph
 81 (B) of this paragraph may be required to have his or her condition reevaluated; in the
 82 event any such reevaluation reveals that such person has regained the ability to perform
 83 duties as a firefighter, then his or her benefits under division (ii) of subparagraph (B)
 84 of this paragraph shall cease. Benefits under said division shall also cease upon the
 85 death of such person. A member who, after at least one year as a firefighter, departs
 86 from employment, ceases to be an active volunteer, or retires shall be entitled to
 87 continue his or her coverages under this paragraph through a continuation or conversion
 88 to individual coverage. The departing member shall be responsible for payment of all
 89 premiums.

90 (E) In addition to any other purpose authorized under Chapter 8 of Title 33, county
 91 governing authorities and municipal governing authorities may use proceeds from
 92 county and municipal taxes imposed under said chapter for purposes of providing
 93 insurance pursuant to this paragraph.

94 (F) Funds received as premiums for the coverages specified in this paragraph shall not
 95 be subject to premium taxes under Chapter 8 of Title 33.

96 (G) The computation of premium amounts by an insurer for the coverages under this
 97 paragraph shall be subject to generally accepted adjustments from insurance
 98 underwriting.

99 ~~(c) On and after July 1, 1998, the~~ The Georgia Firefighter Standards and Training Council
 100 ~~shall be authorized, by rules and regulations, to adopt such rules and regulations as are~~

101 reasonable and necessary to implement the provisions of this Code section and to establish
 102 and modify minimum requirements for all fire departments operating in this state, provided
 103 that such requirements are equal to or exceed the requirements provided in subsections (a)
 104 and (b) of this Code section."

105 SECTION 2.

106 Chapter 85 of Title 36 of the Official Code of Georgia Annotated, relating to interlocal risk
 107 management agencies, is amended in Code Section 36-85-1, relating to definitions, by
 108 revising paragraphs (6) and (8) as follows:

109 "(6) 'Group self-insurance fund' or 'fund' means a pool of public moneys established by
 110 an interlocal risk management agency from contributions of its members in order to pool
 111 the risks of accident, disability, supplemental medical, general liability, motor vehicle
 112 liability, property damage, or any combination of such risks."

113 "(8) 'Interlocal risk management program' means a plan and activities carried out under
 114 such plan by an interlocal risk management agency to reduce risk of loss on account of
 115 accident, disability, supplemental medical, general liability, motor vehicle liability, or
 116 property damage, including safety engineering and other loss prevention and control
 117 techniques, and to administer one or more group self-insurance funds, including the
 118 processing and defense of claims brought against members of the agency."

119 SECTION 3.

120 Said chapter is further amended in Code Section 36-85-2, relating to the formation and
 121 functions of interlocal risk management agencies, by revising paragraph (4) of subsection (a)
 122 as follows:

123 "(4) Jointly purchase accident, disability, supplemental medical, general liability, motor
 124 vehicle liability, or property damage insurance with other municipalities or counties
 125 participating in and belonging to the interlocal risk management agency, the participating
 126 municipalities or counties to be coinsured under a master policy or policies with the total
 127 premium apportioned among such participants."

128 SECTION 4.

129 Said chapter is further amended in Code Section 36-85-5, relating to certificates of authority
 130 and applications, by revising subsection (d) as follows:

131 "(d) A fund authorized by this chapter may be established by an agency only if the agency
 132 has enrolled members which:

133 (1) For each motor vehicle liability and general liability fund shall generate an annual
 134 gross premium of not less than \$300,000.00;

- 135 (2) For each property damage fund shall generate an annual gross premium of not less
 136 than \$200,000.00;
- 137 (3) For each fund which includes motor vehicle liability or general liability with property
 138 damage shall generate an annual gross premium of not less than \$500,000.00; ~~or~~
- 139 (4) For each fund which includes motor vehicle liability, general liability, and property
 140 damage shall generate an annual gross premium of not less than \$800,000.00; ~~or~~
- 141 (5) For each fund which includes accident, disability, or supplemental medical coverage
 142 shall generate an annual gross premium of not less than \$500,000.00."

143 **SECTION 5.**

144 Code Section 48-7-27 of the Official Code of Georgia Annotated, relating to computation of
 145 Georgia taxable net income, is amended in subsection (a) by adding new paragraph to read
 146 as follows:

147 "(12.2) Payments received by a firefighter pursuant to paragraph (2) of subsection (b) of
 148 Code Section 25-3-23, to any extent such amounts are included in the taxpayer's federal
 149 adjusted gross income and are not otherwise exempt under any other provision of this
 150 Code section;

151 (12.3) An amount equal to 100 percent of any premium paid by the individual taxpayer
 152 during the taxable year for coverage pursuant to paragraph (2) of subsection (b) of Code
 153 Section 25-3-23, to any extent such deduction has not been included in the taxpayer's
 154 federal adjusted gross income and such amount is not otherwise deductible under any
 155 other provision of this Code section;"

156 **SECTION 6.**

157 This Act shall become effective on January 1, 2018.

158 **SECTION 7.**

159 All laws and parts of laws in conflict with this Act are repealed.