House Bill 146 (AS PASSED HOUSE AND SENATE)
By: Representatives Gravley of the 67th, Strickland of the 111th, Meadows of the 5th, Coomer of the 14th, Powell of the 171st, and others

A BILL TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

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

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

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

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

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

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

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

(a) Surgery, radiotherapy, or chemotherapy is medically necessary;
(b) There is metastasis; or
(c) The firefighter has terminal cancer, is expected to die within 24 months or less from the date of diagnosis, and will not benefit from, or has exhausted, curative therapy; or

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

(a) There is carcinoma in situ such that surgery, radiotherapy, or chemotherapy has been determined to be medically necessary:
(b) There are malignant tumors which are treated by endoscopic procedures alone;
(c) There are malignant melanomas; or
(d) There is a tumor of the prostate, provided that it is treated with radical prostatectomy or external beam therapy; and

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

(I) A monthly benefit equal to 60 percent of the member's monthly salary as an employed firefighter with the fire department or a monthly benefit of $5,000.00, whichever is less; or
(II) If the member is a volunteer, a monthly benefit of $1,500.00.

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

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

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

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

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

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

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

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

SECTION 2.

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

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

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

SECTION 3.

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

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

SECTION 4.

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

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

(1) For each motor vehicle liability and general liability fund shall generate an annual
gross premium of not less than $300,000.00;
(2) For each property damage fund shall generate an annual gross premium of not less than $200,000.00;

(3) For each fund which includes motor vehicle liability or general liability with property damage shall generate an annual gross premium of not less than $500,000.00; or

(4) For each fund which includes motor vehicle liability, general liability, and property damage shall generate an annual gross premium of not less than $800,000.00; or

(5) For each fund which includes accident, disability, or supplemental medical coverage shall generate an annual gross premium of not less than $500,000.00."

SECTION 5.

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

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

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

SECTION 6.

This Act shall become effective on January 1, 2018.

SECTION 7.

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