

Opinion No. 47-4995

March 10, 1947

BY: C. C. McCULLOH, Attorney General

TO: Tom L. Popejoy Comptroller University of New Mexico Albuquerque, New Mexico

{*18} We are in receipt of a copy of your letter dated January 31, 1947, in which you ask various questions with respect to contributory group insurance for employees of the University. In your letter you refer to the Law of 1947. I know of no such law and presume you refer to Chapter 188 of the Laws of 1941. Your first question is as follows:

"1. Under the Law of 1947, can our present plan of Contributory Group Life and Contributory Group Hospital Expense Insurance, in which our employees pay the entire premium, be revised so as to give larger benefits under the Group Hospital Expense plan with the employer contributing 20% of the premium cost? Can the employer contribute 20% of the premium cost under the Contributory Group Life plan as mentioned above?"

Section 1, Chapter 188, Laws of 1941 (Section 10-416 of the 1941 Compilation) Provides as follows:

{*19} "All state * * institutions * * are hereby authorized to cooperate in providing group or other forms of insurance for the benefit of eligible employees of the respective * * * institutions * * * ; Provided, that the contributions of the State of New Mexico or any of its departments * * * shall not exceed 20 per centum of the cost of such insurance."

In view of this section the University is authorized to pay 20% of the premiums on group life and hospital insurance for its employees. It is up to the insurance company now issuing the policies whether such policies could be converted to new policies so as to give larger benefits to the employees. Further, you could, if you had a proper budget item, pay 20% of the present premiums.

Your second question is as follows:

"2. If we further revise our Contributory Group Hospital Expense plan to extend the benefits to the Employee and his dependents, such as wife and/or children, can the employer pay 20% of the premium cost?"

In answer to this question, I enclose herewith copy of Opinion No. 4585, in which this office held that benefits of contributory group insurance could not be extended to dependents of the employees.

Your third question is as follows:

"3. Since 1927 we have had a NonContributory Group Life plan with the employer paying the entire premium cost. Would this program be in any way affected if we do revise our Contributory Group Life and Hospital Expense plans as contemplated above?"

The only way the institution can now pay the entire premium on an insurance policy for its employees is under the saving clause of Section 3, Chapter 188 of the Laws of 1941, which is as follows:

"Provided that the provisions of this Act shall not affect any contract of group insurance now maintained or in force."

If the present policies should be cancelled out and new policies issued, then the institution could pay no more than 20% of the premiums. You will find enclosed copy of Opinions No's. 4620 and 4653, dealing with this question.

By ROBERT W. WARD,

Asst. Atty. General