

THEODORE L. KESSNER  
WILLIAM D. KUESTER  
STEVEN G. SEGLIN  
ROCKY C. WEBER  
RICK G. WADE  
DAVID A. JARECKE  
MARY J HEWITT  
WILLIAM R. KUTILEK

## CROSBY GUENZEL

ATTORNEYS AT LAW

134 SO. 13<sup>TH</sup> STREET, SUITE 400  
LINCOLN, NEBRASKA 68508  
TELEPHONE: (402) 434-7300  
FACSIMILE: (402) 434-7303  
E-MAIL: info@crosbylawfirm.com

ROBERT C. GUENZEL (RETIRED)

ROBERT B. CROSBY (1911-2000)  
THOMAS R. PANSING (1917-1973)  
DONN E. DAVIS (1929-1998)

WRITER'S DIRECT DIAL NO:  
(402) 434-7324

WRITER'S E-MAIL ADDRESS:  
sgs@crosbylawfirm.com

May 17, 2000

Rex Carpenter  
General Manager  
Nebraska Rural Electric Association  
800 South 13<sup>th</sup> St.  
PO Box 82048  
Lincoln, NE 68501

Re: Directors' Health Insurance/Dependent Coverage

Dear Rex:

You have asked whether a public power district may offer to pay health insurance premiums for dependents of directors under *Neb. Rev. Stat.* § 70-624.03. Although the answer is not crystal clear, in my opinion the safer course of action is not to provide dependent coverage.

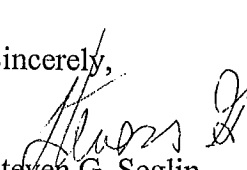
The operative language is contained in *Neb. Rev. Stat.* § 70-624.03 (amended by LB 901) which states as follows:

The board of directors may establish a plan of insurance, designed and intended for the benefit of the employees of the district and the dependents of the employees of the district, and, in the discretion of the board, expend funds of the district for the payment of premiums for such employees' and dependents' group, franchise, or wholesale insurance policies. Members of the board of directors of the district may be considered employees for purposes of this section. The dollar amount of any health insurance premiums paid from the funds of the district for the benefit of a member of the board of directors may be in addition to the amount of compensation authorized to be paid to such director pursuant to section 70-624.02

(Emphasis added.) Although the statute states that "[m]embers of the board of the district may be considered employees for purposes of this section," implying that dependents may be covered since regular employee dependents may be covered, the next sentence, which contains the above underlying language, indicates to me that the Legislature intended to allow for the payment of health insurance premiums for the director only, and not his or her dependents. This language specifically refers to a board member alone, with no reference to dependents.

Consequently, it is my opinion that dependent coverage for a board member is not authorized.

Sincerely,

  
Steven G. Seglin

