

MULTIPLE-EMPLOYER WELFARE ARRANGEMENTS

Title 24-A M.R.S.A. Chapter 81

APPLICATION REQUIREMENTS

"Multiple-employer welfare arrangement" or "arrangement" means an employer welfare benefit plan or any other arrangement that is established or maintained for the purpose of offering or providing health benefits to the employees of 2 or more employers or to their beneficiaries.

Filing Requirements for Initial Approval of a MEWA:

1. A copy of the constitution or bylaws of the association.
2. The names and addresses of the trustees of the arrangement.
3. A copy of the declaration of trust, trust agreement and any other documents that govern the operation of the arrangement.
4. A copy of the employer participation agreement and the certificate, summary plan description or other evidence of the benefits and coverage provided to covered employees.
5. Proof of deposit or a copy of the surety bond required pursuant to section 6607.
6. A copy of the arrangement's excess insurance agreement and any other reinsurance agreement.
7. Evidence satisfactory to the superintendent showing that the arrangement will be operated in accordance with sound actuarial principles. The superintendent may not approve the arrangement unless the superintendent determines that the plan is designed to provide sufficient revenues to pay current and future liabilities, as determined in accordance with sound actuarial principles.
8. Additional information that the superintendent may reasonably require.
9. The filing fee specified in section 601 (\$500 payable to Treasurer, State of Maine).
10. Current financial information for participating employers, projected financial information as applicable.
11. Policy forms.
12. Network adequacy (if plan offered is managed care plan).
13. Compliance with Rule 850 (if plan offered is managed care plan).

14. Any applicable management and service agreements.

15. Investment policy for the trust.

A MEWA is required to meet the following statutory requirements:

1. The MEWA must be nonprofit.
2. The MEWA must be established by a trade association, industry association, political subdivision of the State, religious organization or professional association of employers or professionals that has a constitution or bylaws and that has been organized and maintained in good faith for a continuous period of one year for purposes other than that of obtaining or providing insurance.
3. The MEWA must be operated pursuant to a trust agreement by a board of trustees that has complete fiscal control over the arrangement and that is responsible for all operations of the arrangement.
4. The trustees must be owners, partners, officers, directors or employees of one or more employers in the arrangement. A trustee may not be an owner, officer or employee of the administrator or service company of the arrangement.
5. The MEWA must be operated in accordance with sound actuarial principles.
6. The MEWA must comply with the requirements of chapter 36, governing continuity of health insurance coverage.
7. The MEWA may issue only health care benefit plans that comply with the requirements of section 2808-B with regard to rating practices, coverage for late enrollees and guaranteed renewal. An arrangement may not provide health care benefits that do not meet or exceed the requirements for mandated benefits applicable to comparable insured plans.
8. The MEWA must issue to each covered employee a contract, certificate, summary plan description or other evidence of the benefits and coverages provided. This evidence of the benefits and coverages provided must contain in boldface print in a conspicuous location the following statement: "The benefits and coverages described herein are provided through a trust fund established and funded by a group of employers."
9. The MEWA must maintain specific excess insurance with a retention level determined in accordance with sound actuarial principles. The superintendent may also require the MEWA to purchase aggregate excess insurance.
10. The MEWA must establish and maintain appropriate loss and loss expense reserves determined in accordance with sound actuarial principles and must fund obligations by depositing assets that will yield in a time frame matching maturing liabilities of the arrangement sufficient funds to discharge claims and other expense payments.
11. All funds of the MEWA must be held in trust in the name of the arrangement in a qualified financial institution by state or federally chartered financial institutions.
12. To qualify for and retain approval to transact business, the MEWA must make all contracts with administrators or service companies available for inspection by the Bureau initially and thereafter upon reasonable notice.