

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

As Engrossed: H3/28/19
A Bill

HOUSE BILL 1837

5 By: Representative McCollum
6 By: Senator Bledsoe
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE STATUTES CONCERNING REGISTRATION
10 OR LICENSURE REQUIREMENTS OF MULTIPLE EMPLOYER TRUSTS
11 AND SELF-INSURED PLANS; TO EXPAND ACCESS TO
12 ASSOCIATION HEALTH PLANS THAT ALLOW MORE SMALL
13 BUSINESSES TO BAND TOGETHER TO PURCHASE INSURANCE;
14 AND FOR OTHER PURPOSES.

Subtitle

18 TO EXPAND ACCESS TO ASSOCIATION HEALTH
19 PLANS THAT ALLOW MORE SMALL BUSINESSES TO
20 BAND TOGETHER TO PURCHASE INSURANCE.
21

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 23-92-101 is amended to read as follows:
26 23-92-101. Registration or licensure required.

27 (a) "Multiple employer welfare arrangement" has the same meaning as
28 under 29 U.S.C. § 1002(40), as it existed on ~~January 1, 2003~~ January 1, 2019.

29 (b)(1) ~~Every~~ A fully insured multiple employer trust and fully insured
30 multiple employer welfare arrangement that intends to provide benefits to
31 citizens of this state shall register with the Insurance Commissioner ~~prior~~
32 ~~to~~ before soliciting or enrolling members or ~~prior to~~ before conducting any
33 other business activity in Arkansas.

34 (2)(A) Each fully insured multiple employer trust and fully
35 insured multiple employer welfare arrangement under this section that is
36 conducting any business activity in Arkansas ~~as of March 18, 2003~~, shall



1 register with the commissioner ~~no later than July 1, 2003.~~

2 (B) After the initial registration, ~~each~~ a fully insured
3 multiple employer trust and fully insured multiple employer welfare
4 arrangement under this section that conducts business in Arkansas shall
5 ~~thereafter~~ register with the commissioner no later than January 1 of each
6 year for as long as it continues to do business in Arkansas.

7 (c)(1) A multiple employer trust or multiple employer welfare
8 arrangement that is not fully insured ~~must~~ shall obtain a certificate of
9 authority under ~~regulations~~ rules promulgated by the commissioner before
10 doing business in Arkansas.

11 (2) In order to remain licensed, a multiple employer trust or multiple
12 employer welfare arrangement that is not fully insured ~~must~~ shall comply with
13 ~~all Arkansas laws that are not inconsistent with~~ applicable terms of the
14 Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq., as
15 it existed on ~~January 1, 2003~~ January 1, 2019.

16 (3)(A) The commissioner shall adopt rules regulating multiple
17 employer trusts and multiple employer welfare arrangements that are not fully
18 insured.

19 (B) The rules shall include information and procedures
20 concerning:

21 (i) The criteria and application for obtaining a
22 certificate of authority from the State Insurance Department to conduct
23 business in Arkansas that are not inconsistent with 29 C.F.R. § 2510, as it
24 existed on January 1, 2019;

25 (ii) The benefits to be offered that are not
26 inconsistent with similarly situated single employer plans;

27 (iii) Financial requirements consistent with sound
28 actuarial principles;

29 (iv) Fees;

30 (v) Insolvency procedures;

31 (vi) Examinations;

32 (vii) Filing of forms and rates;

33 (viii) Written disclosures and other consumer
34 protections;

35 (ix) Reporting requirements;

36 (x) Excess or stop loss insurance; and

1 (xi) Other factors the commissioner deems necessary
2 for the effective regulation of multiple employer welfare trusts and multiple
3 employer welfare arrangements that are not fully insured, if the requirements
4 are not inconsistent with 29 C.F.R. § 2510, as it existed on January 1, 2019.

5 (d)(1) To the extent permitted by federal law, a fully insured or
6 self-insured multiple employer welfare arrangement may include employers in a
7 common trade or industry, employers representing two (2) or more trades or
8 industries, sole proprietors, or working owners as defined in 29 C.F.R. §
9 2510.3-5(e), as it existed on January 1, 2019.

10 (2) The rules by which the multiple employer welfare arrangement
11 shall abide are determined at the aggregate level so in an arrangement in
12 which the total number of employers in the multiple employer welfare
13 arrangement, including working owners, exceeds fifty (50), the multiple
14 employer welfare arrangement is subject to the requirements of the large
15 group market.

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17 /s/McCollum
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