

State of Arkansas
92nd General Assembly
Regular Session, 2019

As Engrossed: H3/28/19

A Bill

HOUSE BILL 1837

By: Representative McCollum

By: Senator Bledsoe

For An Act To Be Entitled

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

Subtitle

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 23-92-101 is amended to read as follows:

23-92-101. Registration or licensure required.

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

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

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



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

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

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

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

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

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

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

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

(iii) Financial requirements consistent with sound actuarial principles;

(iv) Fees;

(v) Insolvency procedures;

(vi) Examinations;

(vii) Filing of forms and rates;

(viii) Written disclosures and other consumer protections;

(ix) Reporting requirements;

(x) Excess or stop loss insurance; and

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

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

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

/s/McCollum

APPROVED: 4/11/19