

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 38.2-3420 of the Code of Virginia, relating to bank-sponsored multiple*
3 *employer welfare organizations.*

4 [H 1538]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 38.2-3420 of the Code of Virginia is amended and reenacted as follows:**

8 § 38.2-3420. Authority and jurisdiction of Commission; exception.

9 A. Except as provided in subsection B, any person offering or providing coverage in the
10 Commonwealth for health care services, whether the coverage is by direct payment, reimbursement, or
11 otherwise, shall be presumed to be subject to the jurisdiction of the Commission to the extent the person
12 is not regulated by another agency of the Commonwealth, any subdivision of the Commonwealth, or the
13 federal government relating to the offering or providing of coverage for health care services.

14 B. Neither the provisions of this section nor any other provision of this title shall be construed to
15 affect or apply to a multiple employer welfare arrangement (MEWA) comprised only of banks *together*
16 *with their plan-sponsoring organization*, and their *respective* employees, provided the multiple employer
17 welfare arrangement (i) is duly licensed as a MEWA by the insurance regulatory agency of a state
18 contiguous to the Commonwealth, (ii) files with the Commission a copy of its certificate of authority or
19 other proper license from the contiguous state, and (iii) has no more than 50 Virginia residents who are
20 employees of its member banks enrolled in or receiving accident and sickness benefits as insureds,
21 members, enrollees, or subscribers of the MEWA. For purposes of this subsection, a "bank" shall be
22 defined as:

23 "Bank" means an institution that has or is eligible for insurance of deposits by the Federal Deposit
24 Insurance Corporation.

25 "Plan-sponsoring organization" means an association that (i) sponsors a MEWA comprised only of
26 banks; (ii) has been actively in existence for at least five years; (iii) has been formed and maintained in
27 good faith for purposes other than obtaining insurance; (iv) does not condition membership in the
28 association on any health status-related factor relating to an individual, including an employee of an
29 employer or a dependent of an employee; (v) makes health insurance coverage offered through the
30 association available to all members regardless of any health status-related factor relating to such
31 members or individuals eligible for coverage through a member; (vi) does not make health insurance
32 coverage offered through the association available other than in connection with a member of the
33 association; and (vii) meets such additional requirements as may be imposed under the laws of the
34 Commonwealth, and includes any subsidiary of such an association.