

State Corporation Commission 2007 Fiscal Impact Statement

1. Bill Number HB2042

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Hamilton

3. Committee Education

4. Title Private institutions of higher education benefits consortium.

5. Summary/Purpose: Educational Institution Benefits Consortium. Creates a nonprofit benefits consortium under a new Chapter 63 in Title 38.2. The benefits consortium will be made up of five or more private institutions of higher education (members). The benefits consortium will provide health and welfare benefits to the employees (and their dependents) of the members of the benefits consortium.

- Section 38.2-6300 sets forth the definitions applicable to Chapter 63.
- Section 38.2-6301 provides for the formation of the benefits consortium, which will establish a self-funded employee welfare benefit plan.
- Section 38.2-6302 requires the benefits consortium to maintain with the Bureau of Insurance updated information regarding its name, street and mailing addresses, telephone number and contact information for any person or entity handling claims administration.
- Section 38.2-6303 requires the benefits consortium to establish and maintain reserves, and provides for use of an irrevocable letter of credit.
- Section 38.2-6304 provides that the benefits consortium shall be subject solely to Chapter 63 and ERISA, as long as it remains in good standing under the Virginia Nonstock Corporation Act. This section also provides that the benefits consortium shall not be subject to state taxation, and shall not be subject to the provisions of Title 38.2 including regulation as a multiple employer welfare arrangement.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: The Bureau of Insurance worked with interested parties on the language of House Bill 3021, which was also introduced by Delegate Hamilton. The legislation contains no regulatory role for the State Corporation Commission.

Date: 01/21/07 / V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources