

State Corporation Commission 2011 Fiscal Impact Statement

1. Bill Number: HB1538

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Merricks

3. Committee: Commerce and Labor

4. Title: Health insurance; multiple employer welfare arrangements.

5. Summary/Purpose: Exempts multiple employer welfare arrangements (MEWA) that are comprised of banks together with their plan-sponsoring organization, and their respective employees, from Title 38.2. A plan-sponsoring organization is defined as an association which (i) sponsors a MEWA comprised only of banks; (ii) has been actively in existence for only five years; (iii) has been formed and maintained in good faith for purposes other than obtaining insurance; (iv) does not condition membership in the association on any health-status related factor relating to an individual, including an employee of an employer or a dependent of an employee; (v) makes health insurance coverage offered through the association available to all members regardless of any health-status related factor relating to such members or individuals eligible for coverage through an individual; (vi) does not make health insurance offered through the association available other than in connections with a member through the association; and (vii) meets such additional requirements as may be imposed under the laws of the Commonwealth and includes any subsidiary of the association.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

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 language in the amendment in the nature of a substitute to House Bill 1538 narrows what may have been overly broad language in the exemption language contained in the original bill, which might have allowed other entities and existing MEWAs to qualify under the exemption. The exemption now applies only to banks and their plan-sponsoring organization, as was its apparent intention.

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Date: 01/31/11/V. Tompkins
cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources