

806 KAR 11:020. Multiple employer welfare arrangements.

RELATES TO: KRS 304.11-030, 304.11-045

STATUTORY AUTHORITY: KRS 304.2-110

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110 provides that the Executive Director of Insurance may make reasonable administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. This administrative regulation requires multiple employer welfare arrangements to provide information to the Executive Director of Insurance so the Executive Director of Insurance can enforce applicable laws.

Section 1. Definitions. As used in this administrative regulation:

- (1) "Executive director" means the Executive Director of the Kentucky Office of Insurance.
- (2) "Doing business" has the meaning set forth in KRS 304.11-030(2).
- (3) "MEWA" means a multiple employer welfare arrangement, which is any arrangement which is established or maintained for the purpose of offering or providing health care benefits (other than life insurance benefits) to the employees of two (2) or more employers, or to their beneficiaries. A "MEWA" does not mean an arrangement under which health care benefits are fully insured by an insurer authorized to do business in Kentucky.

Section 2. Information to be Provided to the Executive Director.

- (1) A MEWA now doing business in Kentucky shall, within twenty (20) days after the effective date of this administrative regulation, file with the executive director in writing the information set forth in Section 3 of this administrative regulation. The executive director will then decide which laws apply to the MEWA and direct the MEWA to comply. If the MEWA does not comply with applicable laws of Kentucky, the executive director shall take appropriate enforcement action.
- (2) A MEWA not now doing business in Kentucky shall, prior to doing business in Kentucky, file with the executive director the written information set forth in Section 3 of this administrative regulation. The executive director will then decide which laws apply to the MEWA and direct the MEWA to comply. If the MEWA does not comply with the applicable laws of Kentucky, the executive director shall take appropriate enforcement action.

Section 3. Written Information to be Filed with the Executive Director. The information required to be filed in writing with the executive director pursuant to Section 2 of this administrative regulation is as follows:

- (1) The employer identification number assigned by the Internal Revenue Service to the MEWA;
- (2) A copy of any trust document used by the MEWA;
- (3) Copies of any health benefits or life benefits plan documents;
- (4) Copies of all annual reports made by the MEWA to the Department of Labor (Form 5500);
- (5) Copies of any audits conducted with respect to the MEWA;
- (6) Copies of actuarial reports prepared for the MEWA;
- (7) Copies of any summary annual reports published for participants in the MEWA;
- (8) Copies of any contracts with agents or administrators;
- (9) The names of insurers and policy numbers for bonds covering fiduciaries of the MEWA;
- (10) Copies of any stop loss, excess, or reinsurance policies held by the MEWA;

- (11) A list of all Kentucky employers participating in the MEWA, including full mailing addresses;
- (12) A list of all officers and trustees of the MEWA;
- (13) Copies of any marketing materials and rate manuals;
- (14) The total number of employees, dependents, and beneficiaries participating in the MEWA.

Section 4. Effective Date. This administrative regulation shall become effective upon completion of its review pursuant to KRS Chapter 13A.

(17 Ky.R. 2311; eff. 3-13-91; TAm eff. 8-9-2007; Crt eff. 2-26-2020.)