

HOUSE FILE 2370

BY COMMITTEE ON COMMERCE

MAR 7 1994

(SUCCESSOR TO HSB 683)

Place On Calendar

Passed House, (P. 683) Date 3-17-94 Passed Senate, (P. 864) Date 3/28/94
 Vote: Ayes 98 Nays 0 Vote: Ayes 49 Nays 0
 Approved April 4, 1994

A BILL FOR

1 An Act relating to the exemption of certain multiple employer
 2 welfare arrangements from regulation by the insurance division
 3 and providing a repeal provision.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HOUSE FILE 2370

H-5381

1 Amend House File 2370 as follows:
 2 1. Page 1, line 11, by striking the word "five"
 3 and inserting the following: "fifteen".
 By LARSON of Linn

H-5381 FILED MARCH 15, 1994

~~WITHDRAWN~~
 adopted 3-17-94 (P. 683)

HF 2370

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1 Section 1. Section 507A.4, Code 1993, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 10. Transactions involving a multiple
4 employer welfare arrangement, as defined in section 3 of the
5 federal Employee Retirement Income Security Act of 1974, 29
6 U.S.C. § 1002, paragraph 40, if the multiple employer welfare
7 arrangement meets all of the following conditions:

8 a. The arrangement is administered by an authorized
9 insurer or an authorized third-party administrator.

10 b. The arrangement has been in existence and provided
11 health insurance for at least five years prior to July 1,
12 1994.

13 c. The arrangement was established by a trade, industry,
14 or professional association of employers that has a
15 constitution or bylaws, and has been organized and maintained
16 in good faith for at least twenty continuous years prior to
17 July 1, 1994.

18 Sec. 2. NEW SECTION. 513A.8 EXCEPTION TO JURISDICTION.

19 A third-party payor that is a multiple employer welfare
20 arrangement, as defined in section 3 of the federal Employee
21 Retirement Income Security Act of 1974, 29 U.S.C. § 1002,
22 paragraph 40, that meets the criteria set forth in section
23 507A.4, subsection 10, is not subject to the jurisdiction of
24 the commissioner of insurance pursuant to this chapter even
25 though it may be subject to the jurisdiction of another agency
26 of the state or federal government.

27 Sec. 3. REPEAL. This Act is repealed effective July 1,
28 1995.

29 EXPLANATION

30 This bill provides that a multiple employer welfare
31 arrangement in existence for at least 5 years that is
32 administered by an authorized insurer or third-party
33 administrator is not subject to insurance division regulation.
34 To qualify for this exemption, the employer organization
35 establishing the arrangement must be a trade, industry, or

1 professional association that has been in existence for at
2 least 20 years.

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(P. 813) 3/23/94 Senate - Do Pass

HOUSE FILE 2370
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 683)

(As Amended and Passed by the House March 17, 1994)

Passed House, Date ^(P. 683) 3/17/94 Passed Senate, Date ^(P. 864) 3/28/94
Vote: Ayes 98 Nays 0 Vote: Ayes 49 Nays 0
Approved April 4, 1994

A BILL FOR

1 An Act relating to the exemption of certain multiple employer
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4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

House Amendments _____

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4 employer welfare arrangement, as defined in section 3 of the
5 federal Employee Retirement Income Security Act of 1974, 29
6 U.S.C. § 1002, paragraph 40, if the multiple employer welfare
7 arrangement meets all of the following conditions:

8 a. The arrangement is administered by an authorized
9 insurer or an authorized third-party administrator.

10 b. The arrangement has been in existence and provided
11 health insurance for at least fifteen years prior to July 1,
12 1994.

13 c. The arrangement was established by a trade, industry,
14 or professional association of employers that has a
15 constitution or bylaws, and has been organized and maintained
16 in good faith for at least twenty continuous years prior to
17 July 1, 1994.

18 Sec. 2. NEW SECTION. 513A.8 EXCEPTION TO JURISDICTION.

19 A third-party payor that is a multiple employer welfare
20 arrangement, as defined in section 3 of the federal Employee
21 Retirement Income Security Act of 1974, 29 U.S.C. § 1002,
22 paragraph 40, that meets the criteria set forth in section
23 507A.4, subsection 10, is not subject to the jurisdiction of
24 the commissioner of insurance pursuant to this chapter even
25 though it may be subject to the jurisdiction of another agency
26 of the state or federal government.

27 Sec. 3. REPEAL. This Act is repealed effective July 1,
28 1995.

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Larson - ch
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HSB 683
Commerce

HOUSE FILE 2370
BY (PROPOSED COMMITTEE ON COMMERCE
BILL BY CHAIRPERSON RENKEN)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the exemption of certain multiple employer
2 welfare arrangements from regulation by the insurance
3 division.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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5 federal Employee Retirement Income Security Act of 1974, 29
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9 insurer or an authorized third-party administrator.

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11 health insurance for at least fifteen years prior to July 1,
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18 Sec. 2. NEW SECTION. 513A.8 EXCEPTION TO JURISDICTION.

19 A third-party payor that is a multiple employer welfare
20 arrangement, as defined in section 3 of the federal Employee
21 Retirement Income Security Act of 1974, 29 U.S.C. § 1002,
22 paragraph 40, that meets the criteria set forth in section
23 507A.4, subsection 10, is not subject to the jurisdiction of
24 the commissioner of insurance pursuant to this chapter even
25 though it may be subject to the jurisdiction of another agency
26 of the state or federal government.

27 EXPLANATION

28 This bill provides that a multiple employer welfare
29 arrangement in existence for at least 15 years that is
30 administered by an authorized insurer or third-party
31 administrator is not subject to insurance division regulation.
32 To qualify for this exemption, the employer organization
33 establishing the arrangement must be a trade, industry, or
34 professional association that has been in existence for at
35 least 20 years.

HOUSE FILE 2370

Sec. 3. REPEAL. This Act is repealed effective July 1, 1995.

AN ACT

RELATING TO THE EXEMPTION OF CERTAIN MULTIPLE EMPLOYER WELFARE ARRANGEMENTS FROM REGULATION BY THE INSURANCE DIVISION AND PROVIDING A REPEAL PROVISION.

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

Section 1. Section 507A.4, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 10. Transactions involving a multiple employer welfare arrangement, as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002, paragraph 40, if the multiple employer welfare arrangement meets all of the following conditions:

- a. The arrangement is administered by an authorized insurer or an authorized third-party administrator.
- b. The arrangement has been in existence and provided health insurance for at least fifteen years prior to July 1, 1994.
- c. The arrangement was established by a trade, industry, or professional association of employers that has a constitution or bylaws, and has been organized and maintained in good faith for at least twenty continuous years prior to July 1, 1994.

Sec. 2. NEW SECTION. 513A.8 EXCEPTION TO JURISDICTION.

A third-party payor that is a multiple employer welfare arrangement, as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002, paragraph 40, that meets the criteria set forth in section 507A.4, subsection 10, is not subject to the jurisdiction of the commissioner of insurance pursuant to this chapter even though it may be subject to the jurisdiction of another agency of the state or federal government.

HAROLD VAN MAANEN
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2370, Seventy-fifth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved *April 4*, 1994

TERRY P. BRANSTAD
Governor