

~~articles of incorporation of the association. An electric utility as defined in section 476.22 and a person who generates or transmits electric power for sale at wholesale to an electric utility may become a member in accordance with the bylaws.~~

Sec. 5. Section 499.16, Code 2001, is amended to read as follows:
499.16 SUBSCRIPTIONS — ISSUING CERTIFICATES.

If permitted by the association's articles of incorporation, any eligible subscriber for common stock or membership may vote and be treated as a member, after making part payment of the amount, if any, required to be paid for the common stock or membership in cash, giving the subscriber's note for the balance, and satisfying any other requirement for the subscription as set forth in the articles. A subscription may be forfeited as provided in section 499.32. Stock or a membership certificate shall not be issued until payment of the amount, if any, required to be paid for the stock or membership certificate is fully made. A subscriber shall not hold office until the subscriber's certificate has been issued.

Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 14, 2001

CHAPTER 13

REGULATION OF MULTIPLE EMPLOYER WELFARE ARRANGEMENTS

H.F. 325

AN ACT relating to regulation of multiple employer welfare arrangements by the commissioner of insurance, repealing the future repeal date for such regulation, and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 507A.4, subsection 10, Code 2001, is amended to read as follows:

10. a. 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:

(1) The arrangement is administered by an authorized insurer or an authorized third-party administrator.

(2) The arrangement has been in existence and provided health insurance in Iowa for at least five years prior to July 1, 1997.

(3) 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 ten continuous years prior to July 1, 1997.

(4) The arrangement registers with and obtains a certificate of registration issued by the commissioner of insurance.

(5) The arrangement is subject to the jurisdiction of the commissioner of insurance, including regulatory oversight and solvency standards as established by rules adopted by the commissioner of insurance pursuant to chapter 17A.

b. A multiple employer welfare arrangement registered with the commissioner of insurance ~~which that~~ does not meet the solvency standards established by rule adopted by the commissioner of insurance is subject to chapter 507C.

c. A multiple employer welfare arrangement that meets all of the conditions of paragraph "a" shall not be considered any of the following:

- (1) An insurance company or association of any kind or character under section 432.1.
- (2) A member of the Iowa individual health benefit reinsurance association under section 513C.10.
- (3) A member insurer of the Iowa life and health insurance guaranty association under section 508C.5, subsection 8.

d. A multiple employer welfare arrangement registered with the commissioner of insurance shall file with the commissioner of insurance on or before March 1 of each year a copy of the report required to be filed with the United States department of labor pursuant to 29 C.F.R. § 2520.101-2.

e. A multiple employer welfare arrangement registered with the commissioner of insurance shall file with the commissioner of insurance on or before March 1 of each year an annual report containing all of the following information regarding the multiple employer welfare arrangement:

- (1) The number of participants.
- (2) The amount of premium collected.
- (3) Those special health and accident coverages under chapter 514C provided by the multiple welfare arrangement.

f. The reports filed by the multiple employer welfare arrangements pursuant to paragraph "e" shall be compiled by the insurance division and filed annually with the general assembly by March 30. The compilation shall include the following information:

- (1) A computation of the amount of premium tax that would have been paid by the multiple employer welfare arrangements if the arrangements had been insurance companies.
- (2) A computation of the amount that would have been assessed by the Iowa individual health benefit reinsurance association to the multiple employer welfare arrangements if the arrangements had been members of the Iowa individual health benefit reinsurance association.

Sec. 2. INTERIM STUDY. The legislative council is requested to authorize an interim study committee to review the current status of the health insurance market in Iowa with regard to multiple employer welfare arrangements presently registered with the commissioner of insurance, and whether or not additional multiple employer welfare arrangements should be permitted to operate in Iowa. The study shall include a review of the regulatory oversight of all health insurance products sold in Iowa, and report on the conditions of the health insurance market in Iowa. The study committee shall be composed of representatives of the general assembly, the insurance division, the insurance industry, the business community, and such other interests as the legislative council deems appropriate. Appointments to the committee shall be made no later than June 15, 2001. Staffing for the committee shall be provided by the legislative service bureau. The study committee shall submit a report of findings and recommendations, including proposed legislation, if any, to the general assembly on or before November 15, 2001.

Sec. 3. 1994 Iowa Acts, chapter 1038, section 3, as amended by 1995 Iowa Acts, chapter 33, section 1; 1996 Iowa Acts, chapter 1024, section 1; 1997 Iowa Acts, chapter 67, section 2; and 1998 Iowa Acts, chapter 1012, section 1, is repealed.

Sec. 4. Section 507A.4, subsection 10, paragraphs e and f, as enacted in this Act, are amended by striking the paragraphs effective July 1, 2002.

Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 14, 2001