

CHAPTER 1063

ASSOCIATION OR AGRICULTURAL ORGANIZATION HEALTH BENEFIT PLANS

S.F. 2349

AN ACT relating to health plans established by associations of employers or sponsored by certain agricultural organizations.

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

Section 1. NEW SECTION. **505.20 Certain agricultural organizations exempt from regulation.**

1. A health benefit plan, sponsored by a nonprofit agricultural organization domiciled in this state and created primarily to promote programs for the development of rural communities and the economic stability and sustainability of farmers in the state which meets the requirements set forth in [subsection 2](#), shall be deemed to not be insurance and shall not be subject to the provisions of [Title XIII, subtitle 1](#), to the extent such plan, after January 1, 2018, provides health benefits under a self-funded arrangement that is administered by a domestic entity that is registered as a third-party administrator pursuant to [chapter 510](#) and that has continuously provided, either directly or through an affiliate, health care administrative services to the nonprofit agricultural organization or its affiliates for a period in excess of ten years.

2. A nonprofit agricultural organization providing a health benefit plan to its members under [this section](#) must meet all of the following requirements:

a. Have been in existence for twenty-five continuous years prior to the issuance of health benefits to members of the organization.

b. Provide membership opportunities for eligible individuals in all ninety-nine counties of the state.

c. Collect annual dues from members.

d. Hold regular meetings to further the purposes of the members.

e. Provide the members with representation on its governing board and committees.

f. Provide education, mentoring, and financial assistance to grow and expand rural businesses in the state.

g. Have contracted with the domestic entity described in [subsection 1](#) to administer the health benefit plan.

3. Such nonprofit agricultural organization shall file a certification with the commissioner that the organization meets the foregoing requirements prior to providing health benefits under a self-funded arrangement to its members.

Sec. 2. [Section 507A.4, subsection 9](#), Code 2018, is amended to read as follows:

9. 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) (2) The arrangement was is established by a trade, industry, or professional association of employers that has a constitution or bylaws, and has been is organized and maintained in good faith for at least ten continuous years prior to July 1, 1997 with membership stability as defined by rules adopted by the commissioner.~~

~~(4) (3) The arrangement registers with and obtains and maintains a certificate of registration issued by the commissioner of insurance.~~

~~(5) (4) The arrangement is subject to the jurisdiction of the commissioner of insurance, including regulatory oversight and complies with all rules 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~~ that does not meet the solvency ~~standards requirements~~ established by rule ~~adopted by the commissioner of insurance~~ is pursuant to [chapter 17A](#) shall be 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 12](#).

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 by the multiple employer welfare arrangement with the United States department of labor pursuant to [29 C.F.R. §2520.101-2](#). A newly formed multiple employer welfare arrangement shall file with the commissioner a copy of the report required to be filed pursuant to [29 C.F.R. §2520.101-2](#) by a newly formed multiple employer welfare arrangement with the United States department of labor thirty days prior to operating in any state. The copy shall be filed with the commissioner within thirty calendar days of the date that the multiple employer welfare arrangement files the report with the United States department of labor.

e. ~~When not otherwise provided, a~~ A foreign or domestic multiple employer welfare arrangement doing business in this state shall pay to the commissioner of insurance the fees as required in pursuant to [section 511.24](#) unless otherwise provided by law.

Sec. 3. [Section 509.1](#), Code 2018, is amended by adding the following new subsection:

NEW SUBSECTION. 8A. A policy of group health insurance coverage issued to an associated health plan pursuant to [section 513D.1](#) that is subject to regulation by the commissioner.

Sec. 4. [Section 509.1, subsection 9](#), unnumbered paragraph 1, Code 2018, is amended to read as follows:

A policy issued to a resident of this state under a group life, accident, or health insurance policy issued to a group other than one described in [subsections 1 through 8 8A](#), subject to the following requirements:

Sec. 5. NEW SECTION. **513D.1 Association health plans.**

The commissioner shall adopt rules that allow for the creation of association health plans that are consistent with the United States department of labor’s regulations in [29 C.F.R. pt. 2510](#).¹

Sec. 6. NEW SECTION. **513D.2 Rules and enforcement.**

1. The commissioner shall adopt rules, as necessary, pursuant to [chapter 17A](#) to administer [this chapter](#).

2. The commissioner may take any enforcement action under the commissioner’s authority to enforce compliance with [this chapter](#).

Sec. 7. EMERGENCY RULES. The commissioner may adopt emergency rules under [section 17A.4, subsection 3](#), and [section 17A.5, subsection 2](#), paragraph “b”, to administer the provisions of this Act. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in [section 17A.4](#).

Approved April 2, 2018

¹ See chapter 1172, §68 herein