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Senate Bill 1085 (as introduced 6-16-22)
Sponsor: Senator Kimberly LaSata
Committee: Health Policy and Human Services

Date Completed: 9-19-22

CONTENT

The bill would amend the Insurance Code to require a multiple employer welfare arrangement (MEWA) transacting business in the State to file with the Director of the Department of Insurance and Financial Services financial statements audited by a certified public accountant within 180, rather than 90, days after the end of each fiscal year.

The Code specifies that an actuarial opinion regarding reserves for known claims and associated expenses and incurred but not reported claims and associated expenses should be included in the audited financial statement. The bill would *require* the actuarial opinion to be included in the audited financial statement.

MCL 500.7040

BACKGROUND

"Multiple employer welfare arrangement" or "MEWA" means that term as defined in Section 3 of the Employee Retirement Income Security Act, which meets either or both of the following criteria:

- One or more of the employer members in the MEWA is either domiciled in Michigan or has its principal headquarters or principal administrative office in the State.
- The MEWA solicits an employer that is domiciled in Michigan or has its principal headquarters or principal administrative office in the State.

Under Section 3 of the Employee Retirement Income Security Act, "multiple employer welfare arrangement" means an employee welfare benefit plan, or any other arrangement (other than an employee welfare benefit plan) that is established or maintained for the purpose of offering or providing certain prescribed benefits to the employees of two or more employers (including one or more self-employed individuals), or to their beneficiaries. The term does not include any such plan or other arrangement that is established or maintained under or pursuant to one or more agreement to which the United States Secretary of Labor finds to be collective bargaining agreements, by a rural electric cooperative, or by a rural telephone cooperative association.

Legislative Analyst: Stephen P. Jackson

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco, Jr.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.