

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.7001 Definitions.

Sec. 7001. As used in this chapter:

- (a) "Board" means the board of trustees of the multiple employer welfare arrangement security fund.
- (b) "Cash reserves" means federally guaranteed obligations that have a fixed recoverable principal amount or an irrevocable and unconditional letter of credit.
- (c) "Covered claim" means an obligation of an insolvent MEWA to pay a claim that is covered by the MEWA to a covered employee or dependent who is a resident of this state.
- (d) "Employee welfare benefit plan" means that term as defined in section 3 of the employee retirement income security act of 1974, Public Law 93-406, 88 Stat. 829, 29 U.S.C. 1002.
- (e) "Fund" means the multiple employer welfare arrangement security fund.
- (f) "Insolvent MEWA" means a MEWA authorized to do business in this state for which a domiciliary or ancillary receiver has been appointed in this state.
- (g) "Letter of credit" means a letter of credit that meets all of the following requirements:
 - (i) Is issued by a federally insured financial institution.
 - (ii) Is issued upon such terms and in a form approved by the commissioner.
 - (iii) Is subject to draw by the commissioner, upon giving 5 business days' written notice to the MEWA, or by the MEWA for the subscriber's benefit if the MEWA is unable to pay claims as they come due.
- (h) "Multiple employer welfare arrangement" or "MEWA" means that term as defined in section 3 of the employee retirement income security act of 1974, Public Law 93-406, 88 Stat. 829, 29 U.S.C. 1002, which meets either or both of the following criteria:
 - (i) One or more of the employer members in the MEWA is either domiciled in this state or has its principal headquarters or principal administrative office in this state.
 - (ii) The MEWA solicits an employer that is domiciled in this state or has its principal headquarters or principal administrative office in this state.

History: Add. 1986, Act 121, Eff. July 1, 1986;—Am. 1990, Act 126, Imd. Eff. June 26, 1990.

Popular name: Act 218