



Multiple Employer Welfare Arrangement (MEWA) Application for a Certificate of Authority

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As required by Ohio Revised Code Chapter 1739, any Multiple Employer Welfare Arrangement (MEWA) or other entity by which two or more employers or self-employed individuals participate in a self-funded employee benefit plan shall apply to the superintendent for a Certificate of Authority. This application should be directed to the Office of Risk Assessment.

Ohio Revised Code 1739.02(A) requires that MEWA must be an Ohio Domestic. Non-Ohio domiciled MEWAs are not able to be licensed.

Please provide two copies of the application as outlined below to the Ohio Department of Insurance along with a non-refundable filing fee of \$1000.00 payable to the Ohio Treasurer Robert Sprague. The application should be submitted in a three ring binder notebook indexed and tabbed as outlined in the Detailed Application Requirements to include the following:

1. Names, Addresses, MEWA contacts
2. Officers, Directors and Trustees
3. Administrative obligations
4. Business Plan
5. Articles and By-laws
6. Agreements
7. Financials
8. Rates and Rate Methodology
9. Other

Please be aware all MEWA's operating in the state of Ohio must comply with Federal and Ohio HIPAA regulations.

The Ohio Department of Insurance may be accessed at www.insurance.ohio.gov and from there you may gain entry to the Ohio Revised Code. A completed application will be approved or disapproved within a 90-day review period. Questions concerning the application should be directed to the Office of Risk Assessment at (614) 644-2658.

DETAILED APPLICATION REQUIREMENTS MULTIPLE EMPLOYER WELFARE ARRANGEMENT (MEWA)
CERTIFICATE OF AUTHORITY OHIO DEPARTMENT OF INSURANCE

To fulfill the requirements outlined in Ohio Revised Code Chapter 1739. for a MEWA Certificate of Authority, the Department requires the following information be included in the appropriate indexed item.

Item # 1: NAMES. ADDRESSES. MEWA CONTACTS:

(1739.03 (B)(1),(2),(3))

- a) A contact person from the MEWA who will be responsible for responding to questions about the application.
- b) Corporate Name as contained in the Articles of Incorporation.
- c) Any and all other names previously, currently or expected to be used in the future by the MEWA.
- d) The mailing address of the MEWA.
- e) The address of the MEWA and the Association or Trade Group where the principle business operations will be conducted (include regional office address as appropriate).
- f) The Registered Agent of the MEWA and a copy of the agent's insurance license. The Registered Agent shall be an officer of the MEWA.
- g) I.R.S.#

Item #2: OFFICERS. DIRECTORS, AND TRUSTEES:

(1739.03 (B)(4),(5),(6))

- a) A chart showing the reporting structure, including titles and incumbents, of the Officers, Directors and Trustees.
- b) A completed NAIC UCAA Form 11 biographical affidavit for each Officer, Director, and Trustee of the MEWA and independent third-party verifications from a firm on the NAIC UCAA listing of vendors.
- c) Description of the Board of Trustees referenced in ORC section 1739.08.
- d) Two years base salary forecast for each Officer, Director, and Trustee of the MEWA.
- e) Detail any other compensation (includes commissions and commission rates, profit sharing, etc.) for the Officers, Directors, and Trustees of the MEWA.
- f) Copies of all Fidelity Bonds and Errors and Omissions coverage insuring the MEWA.

Item #3: ADMINISTRATIVE OBLIGATIONS:

(1739.03 (B)(7))

- a) Description of the MEWA and its role in providing or servicing its members.
- b) Description of the group sponsoring the MEWA, which is one of the following:
 - (1) Chamber of commerce;
 - (2) A trade association;
 - (3) An industry association;
 - (4) A professional association;
 - (5) A voluntary employee beneficiary association that is exempt from taxation by the internal revenue service under section 501(c)(9) of the Internal Revenue Code of 1986, as amended;

- (6) A business league that is exempt from taxation by the internal revenue service under section 501(c)(6) of the Internal Revenue Code of 1986, as amended;
- 7) Any other association that the superintendent of insurance may define by rule.
- c) A statement describing the purpose or reason for the association to exist.
- d) An organizational chart by department/division of the MEWA.
- e) An outline of how each administrative obligation of the MEWA will be met.
- f) The total number of employees of the MEWA.
- g) The date the Association was established and the date it commenced operations.
- h) A statement by an officer of the MEWA that each Association meets the requirements of section 1739.02(A) of the Ohio Revised Code.

Item #4: BUSINESS PLAN:

(1739.03 (B)(8))

- a) A two-year projection of the number of covered persons by employer, association, and trade.
- b) A flow chart showing the application process of a potential new member.
- c) The process of terminating a member.
- d) The organizational structure of the marketing/sales distribution system including solicitor, agent, general agent, captive agent, etc.
- e) The commission structure of the marketing plan.
- f) Existing or proposed advertising materials.
- g) Existing or proposed solicitation materials.
- h) A contact employed by the MEWA who will handle consumer complaints filed with the Department of Insurance (Employee Name, Title, Mailing Address, Toll Free Telephone, Fax Number).

Item #5: ARTICLES AND BYLAWS:

(1739.03 (B)(9))

- a) Certified copy of the Articles of Incorporation of the MEWA.
- b) The Bylaws of the MEWA.
- c) Signed affidavit by an officer of the MEWA that the submitted articles and bylaws, as dated, are official and that any changes shall be submitted to ODI for approval within 30 days of any change.
- d) Certification from the Secretary of State indicating the corporate name of the MEWA.

Item #6: AGREEMENTS

(1739.03 (B)(10),(11),(12),(14),(15))

- a) Copies of the association agreement(s) with its members.
- b) Copy of any agreement between the MEWA and the association, trade, group or individual, as applicable.
- c) List of all TPAs providing services to the MEWA, including contractual agreement(s) and a copy of the TPA(s) license(s).
- d) A copy of the policy, contract, certificate, summary plan description, or other evidence of the benefits and coverages provided to covered employees.

- e) The names of any sponsors, promoters, trustees or other facilitators, and copies of pertinent agreements involved with the establishment of each MEWA.
- f) Confirmation of the purchase of individual and aggregate stop-loss reinsurance (copy of policy).
- g) Include all forms, applications, or other materials the MEWA will require of its membership.
- h) Grievance procedure.

Item #7: FINANCIALS:

(1739.03 (B)(13))

All financial information should be submitted in accordance with statutory accounting principles as found in the Accounting Practices and Procedures Manual for Property and Casualty Insurance Companies published by the NAIC.

- a) A letter of agreement signed by an officer of the MEWA, that the Quarterly and Annual Statements shall be filed in accordance with the NAIC's Annual Statement instructions for Property and Casualty companies beginning the first quarter of operations after licensure is approved.
- b) Pro forma balance sheets and statutory income statements for each of the two-year calendar periods following COA application. Use UCAA Form 11 – Health
- c) Operating MEWAs must include actual balance sheets and income statements for the previous three years and an actuarial certification for any loss and loss adjustment expense reserves carried on its balance sheet.
- d) A description of the internal controls over the flow of monies received by the MEWA.
- e) A statement, signed by an officer of the MEWA, that the assets of the applicant have not been pledged or hypothecated.

Item #8: RATES & RATE METHODOLOGY:

- a) The methodology of the current/proposed rate structure.
- b) Historic and expected trend factors for the next two years.
- c) Expected utilization pattern for the next two years.
- d) Experience factors.
- e) Underwriting requirements.
- f) Proposed rates for the next 12-month period.
- g) Administrative expense allocation methodology.
- h) A statement certified by a member of the American Society of Actuaries that the rates and rating methodology are in accordance with sound actuarial principles.

Item #9: OTHER:

(1739.03 (B)(16))

While the purpose of the itemized list of MEWA requirements is intended to be as complete as possible, based on information submitted in an application, additional requirements may become necessary.