

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1605

S.P. 559

In Senate, May 7, 2003

An Act To Amend the Law Relating to Multiple-employer Welfare Arrangements

(AFTER DEADLINE)

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator LaFOUNTAIN of York.
Cosponsored by Representative BREault of Buxton and
Senators: DOUGLASS of Androscoggin, MAYO of Sagadahoc, Representatives: O'NEIL of
Saco, SULLIVAN of Biddeford.

2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4 Whereas, the Legislature authorizes employers to secure
6 health insurance through multiple-employer welfare arrangements;
and

8 Whereas, there are few options available to employers to
10 secure health insurance for their employees; and

12 Whereas, multiple-employer welfare arrangements provide
health insurance to thousands of Maine residents, and that health
14 insurance should not be disrupted; and

16 Whereas, technical changes are required to the
multiple-employer welfare arrangement laws to ensure the
18 continued availability of health insurance through the
multiple-employer welfare arrangement to Maine employers and
20 employees; and

22 Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
24 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
26 safety; now, therefore,

28 **Be it enacted by the People of the State of Maine as follows:**

30 **Sec. 1. 24-A MRSA §6603, sub-§1, ¶C,** as enacted by PL 1993, c.
688, §1, is amended to read:

32 C. Must be operated pursuant to a trust agreement by a
34 board of trustees that has complete fiscal control over the
arrangement and that is responsible for all operations of
36 the arrangement. The trustees selected must be owners,
partners, officers, directors or employees of one or more
38 employers in the arrangement. A trustee may not be an
owner, officer or employee of the administrator or service
40 company of the arrangement. The trustees have the authority
to approve applications of association members for
42 participation in the arrangement and to contract with a
~~state-resident~~ licensed administrator or service company to
44 administer the day-to-day affairs of the arrangement;

46 **Sec. 2. 24-A MRSA §6603, sub-§5,** as enacted by PL 1993, c.
688, §1, is amended to read:

48 **5. Funds held in trust.** All funds of a multiple-employer
50 welfare arrangement must be held in trust in this State in the

2 name of the arrangement in a qualified financial institution by
state or federally chartered financial institutions until such
4 time as they are disbursed.

6 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

8

10 SUMMARY

12 This bill provides that trust funds of a multiple-employer
welfare arrangement must be held in this State until disbursed by
the trust. It removes the requirement that a 3rd-party
14 administrator of a multiple-employer welfare arrangement be
domiciled in this State.