

SENATE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2596
AN ACT

To repeal sections 376.1000, 376.1012, and 376.1017, RSMo, and to enact in lieu thereof three new sections relating to multiple employer self-insured health plans.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 376.1000, 376.1012, and 376.1017, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 376.1000, 376.1012, and 376.1017, to read as follows:

376.1000. 1. As used in sections 376.1000 to 376.1045, a "multiple employer self-insured health plan" is any plan or arrangement which is not fully insured and which is either:

- (1) Offered by a staff or employee leasing company; or
- (2) Established or maintained for the purpose of offering or providing health, dental or short-term disability benefits to employees of two or more employers and to two or more self-employed individuals, each with at least one common-law employee, and their dependents.

2. A plan or arrangement is considered fully insured only if an insurer licensed to transact business in this state retains the ultimate responsibility for all benefits payable by a contract or policy of insurance.

376.1012. Funds collected from the participating employers under multiple employer self-insured health plans shall be held in trust subject to the following requirements:

4 (1) A board of trustees elected by participating
5 employers shall serve as fund managers on behalf of
6 participants. Trustees shall be plan participants. No
7 participating employer may be represented by more than one
8 trustee. No trustee may represent more than one employer. A
9 minimum of three and a maximum of seven trustees may be
10 elected. Trustees may not receive remuneration but they may
11 be reimbursed for actual and reasonable expenses incurred in
12 connection with duties as trustee. A trustee may not be an
13 agent, or broker for or an owner, officer or employee of any
14 third-party administrator, insurance agency or insurer
15 utilized by the plan. The trustees shall have the authority
16 to approve applications of association members for
17 participation in the arrangement and to contract with a
18 licensed third-party administrator to administer the day-to-
19 day affairs of the plan;

20 (2) Each trustee shall be bonded in an amount of not
21 less than one hundred fifty thousand dollars by a licensed
22 insurer;

23 (3) Investment of plan funds is subject to the same
24 restrictions which are applicable to insurers pursuant to
25 sections 376.291 to 376.307; provided, however, that no
26 foreign plan shall be exempt under section 376.310 from the
27 investment laws of this state unless such plan is subject to
28 laws in its state of domicile which are substantially
29 similar to sections 376.1032 to 376.1045. All investments
30 shall be managed by a bank or other investment entity
31 licensed to operate in Missouri;

32 (4) Trustees, on behalf of the plan, shall file an
33 annual report with the director of the department of
34 commerce and insurance by March first [showing the condition
35 and affairs of the plan as of the preceding thirty-first day
36 of December. The report shall be made on forms prescribed

37 by the director. The report shall summarize the financial
38 condition of the fund, itemize collections from
39 participating employers, detail all fund expenditures and
40 provide any additional information which the director
41 requires] in compliance with section 375.041. More frequent
42 reports may be required at the discretion of the director.
43 The plan shall also prepare and file a report with the
44 director in compliance with section 375.1252 as it applies
45 to health organizations, and the provisions of section
46 375.1267 shall apply to such reports.

376.1017. 1. A plan shall establish loss reserves for
2 all incurred losses, both reported and unreported, and for
3 unearned premiums.

4 2. A plan also shall establish a surplus account equal
5 to the greater of the following:

6 (1) Three times the average paid monthly premium
7 during the plan's most recent fund year;

8 (2) For plans which do not yet have one fund year's
9 experience, three times estimated monthly premium; or

10 (3) Six hundred thousand dollars; or

11 (2) An amount equal to two times the authorized
12 control level risk-based capital, as that term is defined in
13 section 375.1250.