
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4473 (Substitute H-1 as passed by the House)
Sponsor: Representative Jason Allen
House Committee: Local Government and Urban Policy

CONTENT

The bill would amend the Insurance Code to reduce from five to two the number of employers needed to form a multiple employer welfare arrangement (MEWA); allow two or more employer entities other than businesses, to form an MEWA; and allow member employers to be in the same type service, as well as in the same trade or industry.

(Chapter 70 of the Insurance Code regulates MEWAs. An MEWA is prohibited from establishing an employee benefit plan unless it obtains a certificate of authority from the Insurance Commissioner (unless the plan is fully insured). Chapter 70 lists several conditions that an MEWA must meet to obtain a certificate, including a requirement that the employers in an MEWA be members of an association or group of five or more businesses that are in the same trade or industry, including closely related businesses that provide support, services, or supplies primarily to that trade or industry. An MEWA must provide similar benefits for at least 200 separate participating employees.)

MCL 500.7011

Legislative Analyst: G. Towne

FISCAL IMPACT

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

Date Completed: 6-2-99

Fiscal Analyst: M. Tyszkiewicz