

§6603-A. Employee leasing companies

An employee leasing company that provides health benefits on other than a fully insured basis for employees leased to client companies shall comply with the requirements of this section. [PL 1995, c. 618, §7 (NEW).]

1. Requirements for approval. The arrangement must meet the requirements of this subsection to obtain approval to establish a multiple-employer welfare arrangement or to maintain operations of a multiple-employer welfare arrangement.

A. The employee leasing company must be registered in this State in accordance with Title 32, chapter 125. [PL 1995, c. 618, §7 (NEW).]

B. Within 4 months of the end of each fiscal year or within such extension of time as the superintendent for good cause may grant, the arrangement shall file with the superintendent an annual financial report certified by an independent certified public accountant. The report must include a letter of qualification from the accountant that meets the requirements of section 6611, subsection 1-A. The report must provide the name and address of the insurer providing excess insurance and it must also include an analysis of the adequacy of reserves and contributions or premiums charged based on a review of past and projected claims and expenses. [PL 1995, c. 618, §7 (NEW).]

C. Within 45 days of the end of each fiscal quarter, the arrangement shall file with the superintendent a letter from an independent certified public accountant attesting to the following:

- (1) That the employees have been paid in a timely fashion;
- (2) That all payroll taxes and income taxes withheld have been paid to the appropriate state or federal agency in a timely fashion;
- (3) With respect to any health care benefits provided on other than a fully insured basis, that specific excess insurance is maintained with a retention level adequate for the plan; and
- (4) With respect to any health care benefits provided on other than a fully insured basis, that appropriate loss and loss expense reserves are maintained that are adequate for the plan. [PL 1995, c. 618, §7 (NEW).]

D. Any necessary excess insurance must be purchased from an insurer licensed to transact health or casualty insurance in the State. [PL 1995, c. 618, §7 (NEW).]

E. The arrangement shall issue to each covered employee a contract, certificate, summary plan description or other evidence of the benefits and coverages provided. This evidence of the benefits and coverages provided must contain in boldface print in a conspicuous location the following statement: "The benefits and coverages described herein are provided by [name of employee leasing company] on a self-insured basis, not through a contract with a commercial insurance carrier." If the benefit plan or arrangement was in existence before April 30, 1996 and had previously issued benefit descriptions to the covered employees, the arrangement shall issue to each employee the additional written material necessary to meet the requirements of this paragraph. [PL 1995, c. 618, §7 (NEW).]

F. The arrangement must pay the filing fee specified in section 601 at the time of the application for approval. [PL 1995, c. 618, §7 (NEW).]
[PL 1995, c. 618, §7 (NEW).]

2. Application for approval. To obtain approval, an arrangement must submit a letter of application to the Superintendent that includes or has attached the material required by subsection 1. If any information is not available at the time of application, the arrangement shall specify in the letter when that information will be provided. The superintendent, in the superintendent's discretion, may

grant approval of an arrangement conditioned upon the timely receipt of the required information if the superintendent determines that the arrangement is funded at a level consistent with the purposes of this chapter.

[PL 1995, c. 618, §7 (NEW).]

3. Other provisions. An arrangement approved pursuant to the requirements of this section is also subject to the requirements of sections 6606, 6607, 6610, 6614 and 6616.

[PL 1995, c. 618, §7 (NEW).]

4. Grounds for denial, suspension or revocation of arrangement. The superintendent, in the superintendent's discretion, may deny, suspend or revoke the authorization granted pursuant to this section if the superintendent finds that the arrangement has failed to meet the requirements of this section, has refused to produce the required financial information or has refused to correct a deficiency determined pursuant to section 6606. When failure to maintain compliance with the requirements of this section is the grounds for suspension or revocation of authority of an arrangement, the arrangement has 60 days after notification by the superintendent to take action necessary to correct the deficiency.

[PL 1995, c. 618, §7 (NEW).]

SECTION HISTORY

PL 1995, c. 618, §7 (NEW).

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