

## Multiple Employer Welfare Arrangements (MEWA)

### Instructions for Application for Certificate of Authority

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MEWAs are subject to the requirements and limitations of Chapter 70 of the Insurance Code.

Your application must comply with the formatting instructions outlined below. Applicant is expected to demonstrate that each licensing requirement is met. The Office of Financial and Insurance Regulation will not accept an incomplete application for filing.

Any questions regarding the application or application process, should be addressed *prior* to submitting your application for review. Contact names and telephone numbers are at the end of these instructions.

The Applicant must inform the Application Coordinator (address and telephone number are provided at the end of these instructions) of any significant changes that occur or are discovered during the application review period. Amended forms must be promptly submitted if any changes occur, which materially affect the accuracy of the forms filed in support of the application.

### **INSTRUCTIONS**

1. Submit a transmittal letter, original application with original signatures, and a \$200.00 application fee to the State of Michigan.
2. Complete the application checklist and provide all narratives and documents as described in the application packet. If any information does not relate to your organization, use "N/A"(not applicable), and provide an explanation why it is not applicable.
3. Properly tab documents to correspond with the application checklist.
4. Designate the status on the first page of each contract/agreement (i.e., draft, proposed, executed, etc.)
5. Submit the Articles of Incorporation and Bylaws of the sponsoring association or group. If there are no Articles of Incorporation, please explain. Bylaws should contain, at a minimum, the following information: location of the registered office; location of the books and records; process for nominating, electing and filling vacancies; date of annual meeting; board of trustees meeting requirements; and definition of quorum. Include copies of any other documents that describe the rights and obligations of employers, employees, and beneficiaries with respect to the MEWA.
6. Submit a true copy of Applicant's trust agreement. Refer to Form FIS 0341 to make sure all required language is in the trust agreement.
7. Submit an organizational chart that identifies interrelationships between the Applicant, the sponsoring association or group, subsidiaries, parent company, and any other affiliates. Include ownership percentages.

8. Provide a completed affiliate disclosure statement for each Officer and Trustee.

9. Business Plan:

The business plan should be an integral part of the management and oversight of a MEWA. The plan should be comprehensive, developed through in-depth planning by the MEWA's organizers and management. It should establish the MEWA's goals and objectives. The business plan should cover three years and provide detailed explanations of actions that are proposed to accomplish the primary functions of the MEWA. The description should provide enough detail to demonstrate that the MEWA has a reasonable chance for success, will operate in a safe and sound manner, and will operate in compliance with Chapter 70 of the Insurance Code.

The Business Plan should include:

- Table of Contents
- Executive Summary
- Description of Business
  - A. Purpose of the MEWA.
  - B. Identification of members.
  - C. List and describe the general terms of the planned products and services to be offered (health, dental, etc.).
  - D. Explain if a Third Party Administrator (TPA) will be utilized and how the TPA was selected, if applicable.
  - E. Explain how the MEWA can control costs more efficiently than a health insurer.
  - F. Explain what safeguards the MEWA will use to monitor and control any outside contractors or service providers that it will utilize.
  - G. Explain how claims will be processed.
  - H. Explain sources of MEWA funding, how members will be assessed, and any limitations on assessments. Describe sources of additional funding should it become necessary.
  - I. Discuss investment policies.
  - J. State who will be performing the audit functions for the MEWA.
  - K. Describe the MEWA's current and/or proposed accounting and internal control systems.
  - L. Disclose any pledged assets or loans.
  - M. Describe the economic forecast for the first three years of the plan. The plan should cover the most likely scenario and discuss possible economic downturns. Indicate any national, regional, or local economic factors that may affect the operations of the MEWA. Include an analysis of any anticipated changes in the market, the factors influencing those changes, and the effect they will have on the MEWA.
  - N. Describe the organizational structure and provide an organizational chart indicating the number of officers and employees. Describe the duties and responsibilities of the trustees and any senior officers. Describe any committees that are or will be established, if applicable.

10. TPA arrangement: Describe how the TPA was selected (if applicable), and what safeguards the MEWA has developed to monitor the TPA functions. A copy of the contract with the TPA must be submitted with the application. A copy of the TPA's fidelity bond must also be provided, along with justification of the level of coverage.

11. Submit detailed plan describing how the MEWA will handle claims in the event of dissolution. The commissioner will evaluate these procedures based on each MEWA's individual circumstances.

12. Financial Statements and Projections: Projections and assumptions should be calculated on Exhibit 1 provided in the application. Applicant should clearly outline the assumptions used to develop the projections. The projections should be for three years, a current financial statement must also be provided. The Applicant should also disclose the source of the MEWA's funding.
13. Submit proof of the fidelity bond. Justification must also be submitted on how the MEWA arrived at the level of coverage for the fidelity bond.
14. Submit an actuarial opinion. The actuarial opinion should discuss the pricing and the modeling used to develop the rates and the methodology used.
15. The MEWA must provide a deposit for the protection of subscribers at a level deemed appropriate by the commissioner. This must be set up with the Department of Treasury, and in a form acceptable to the commissioner. The amount of the deposit will be evaluated based on each MEWA's individual circumstances and risk factors. One of the major risk factors will be the premium volume. After review and analysis of the application, OFIS will notify Applicant of the deposit amount required. The MEWA will need to set up the deposit with the Department of Treasury.
16. Cash reserves: Within 60 days after the end of each fiscal quarter, the MEWA must submit a report certifying it maintains the minimum cash reserves as required under Section 500.7040 (1)(c), of the Michigan Insurance Code. This code section requires the MEWA to maintain minimum cash reserves of not less than 25% of the aggregate contributions in the current fiscal year or not less than 35% of the claims paid in the preceding fiscal year, whichever is greater. Reserves shall be calculated with proper actuarial calculations of all of the following: known claims, paid and outstanding; a history of incurred but not reported claims; claims handling expenses; unearned premiums; an estimate for bad debts; a trend factor; and a schedule of premium contributions, rates and renewal projections. The cash reserves established shall be maintained in a separate, identifiable account and shall not be commingled with other funds of the MEWA.
17. Letter of Credit in lieu of cash reserves: Cash reserves as defined in the statute mean federally guaranteed obligations that have a fixed recoverable principal amount, or an irrevocable and unconditional letter of credit. The MEWA needs to submit to the commissioner, within 60 days after the end of each fiscal quarter, a report certifying it maintains the minimum cash reserves. A letter of credit can be counted towards cash reserves. Letters of credit must be irrevocable, unconditional and acceptable to the commissioner and drawn on a federally insured financial institution.
18. Proof of excess loss insurance: A MEWA must submit for the commissioner's approval a copy of its excess loss insurance. Retention of more than \$25,000 will need justification on why this amount would not be detrimental to the solvency and stability of the MEWA, considering the MEWA's past and expected experience, size, reserves, contribution rates, and proposed excess rates. The commissioner may require the MEWA to obtain an aggregate excess loss policy, if it is determined that coverage is necessary. If more than one excess loss policy is obtained, the policy expiration dates shall be the same. The excess loss insurance will indemnify the MEWA for all losses in excess of a specified amount per covered person, per year, for all medical, surgical, hospital care, accident, disability, or death benefits the MEWA offers. It may be in the form of incurred basis stop-loss insurance. Required excess loss insurance policies shall be noncancelable for a minimum of one year for any cause except nonpayment of premium, for which the MEWA shall be given a minimum grace period of 31 days. The insurance shall be issued by an insurer authorized to do business in this state, in an amount approved by the commissioner. The binder or policy shall provide not less than 30 days' notice of cancellation to the commissioner.

19. Maintain an exact copy of the application to facilitate answering questions regarding the application and for reference purposes.

Questions pertaining to the completion of this application may be directed to the appropriate person listed below:

Corporate Documents, Application form and checklist,  
Articles, Bylaws, Consent to Service, Trust Agreement  
Enterprise Monitoring and Insurance Examination Division  
Application Coordinator 517-241-9981

Financial Statements and Projections, Fidelity Bond, Cash Reserves,  
Letter of Credit, Proof of Excess Loss Insurance, TPA arrangements  
Supervisory Affairs and Insurance Monitoring Division 517-373-0246

Master Contracts, Certificates of Coverage,  
Rate Schedule, TPA arrangements  
Health Plans Division 517-241-4549

Deposit  
Michigan Department of Treasury  
Short Term Investments 517-373-9151

Mail the completed application to:

Department of Labor and Economic Growth  
Office of Financial and Insurance Regulation  
Attn: Application Coordinator  
Enterprise Monitoring and Insurance Examination Division  
611 W. Ottawa, 3<sup>rd</sup> floor  
P.O. Box 30220  
Lansing, MI 48909-7720

Name of MEWA

## Checklist for MEWA Applicants

*MEWA applicants: Each of the following items is required before we can process your application for a certificate of authority to conduct business as a Multiple Employer Welfare Arrangement in Michigan. Use this checklist to assure that your filing is complete. Incomplete filings will be returned without review. Application fees are non-transferrable and non-refundable.*

- Letter of transmittal describing the filing and containing any pertinent information not listed below
- Form FIS 0336 Consent to Service-Multiple Employer Welfare Arrangement
- Form FIS 0340 MEWA Application for Certificate of Authority with original signature
- Form FIS 0342 Affiliate Disclosure Statement with original signature for each Officer of the MEWA and each member of the Board of Trustees, Executive Committee, and any other governing body
- Form FIS 0341 MEWA Trust Agreement Checklist with required checklist items and Trust Agreement attached
- Form FIS 0351 MEWA Certificate of Coverage Checklist with required checklist items and Certificate of Coverage attached
- Form FIS 0352 MEWA Grievance Procedure Checklist with required checklist items and Grievance Procedure attached
- Form FIS 0353 MEWA Rate Filing Requirements Checklist with required checklist items and Rate Schedules attached
- Articles and bylaws of the sponsoring association or group
- Other MEWA organizational documents if any
- List of Association or group members and a description of their relationship
- Master contract and certificates of coverage
- Benefit plans and descriptions including copies of printed materials
- An organizational chart showing all related subsidiary, parent and peer entities of the sponsoring association or group
- Detailed business plan
- Detailed plan for handling claims in the event of dissolution
- A complete copy of MEWA's Third Party Administrator (TPA) service agreement
- Evidence of TPA bonding
- Evidence that trustees have secured the fidelity of MEWA officers or agents who handle MEWA funds
- Pro Forma financial statements for three years (Exhibit 1)
- Current financial statement
- Actuarial opinion
- Proof of excess loss insurance
- Letter of credit (if applicable)
- A check in the amount of \$200 payable in US Dollars to: State of Michigan
- A copy of this completed checklist (Form FIS 0335)

Send your complete application package:

By Mail to:  
 OFIR - MEWA Unit  
 PO Box 30220  
 Lansing MI 48909-7720

By Delivery to:  
 OFIR - MEWA Unit  
 611 W Ottawa St.  
 Lansing MI 48933



### Michigan Department of Energy, Labor & Economic Growth

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## Consent to Service—Multiple Employer Welfare Arrangement

Name of applicant Multiple Employer Welfare Arrangement

a Multiple Employer Welfare Arrangement doing business under and by the virtue of the laws of the State of Michigan having been authorized or having applied to act as a Multiple Employer Welfare Arrangement in the State of Michigan, and for the purpose of complying with the provisions of MCLA 500.7012(2), does hereby make, constitute, and appoint the Commissioner of Financial and Insurance Regulation of the State of Michigan as its lawful attorney in the State of Michigan, on whom all process of law may be served in any action or proceeding under current or future laws and statutes of Michigan in which said Multiple Employer Welfare Arrangement is a party. Further, said Multiple Employer Welfare Arrangement hereby stipulates and agrees that any legal process affecting such Multiple Employer Welfare Arrangement served upon the Commissioner of the Office of Financial and Insurance Regulation, or designated Deputy, shall have the same effect as if personally served upon the Multiple Employer Welfare Arrangement and shall be deemed sufficient service on said Multiple Employer Welfare Arrangement. This appointment shall remain in force as long as any liability shall remain within the State of Michigan. When process against or affecting said Multiple Employer Welfare Arrangement is served on the Commissioner of the Office of Financial and Insurance Regulation, or designated Deputy, a copy of such process shall be mailed to:

Enter complete address

Signed in the City of \_\_\_\_\_ in the State of \_\_\_\_\_

on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Signature of Principal of the MEWA

Signer's name and title typed or printed

PA 218 of 1956 provides that each MEWA shall appoint the Commissioner as its registered agent for purposes of service of process.

Office of Financial and Insurance Regulation  
611 W. Ottawa  
PO Box 30220  
Lansing, MI 48909-7720



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

<p><b>Name of MEWA</b></p> <hr/> <p><b>Address of MEWA principal administrative office is</b> <i>(must include street address)</i></p> <p>Number, street and floor or suite number</p> <hr/> <p>PO Box</p> <hr/> <p>City _____ State _____ Zip _____</p> <p style="text-align: center;"><b>MI</b></p> <hr/> <p><b>Name of Sponsoring Entity</b> <i>(the association or other entity sponsoring this MEWA)</i></p> <hr/> <div style="display: flex; align-items: flex-start;"> <div style="width: 20%; padding-right: 10px;"> <p><b>▶ Please attach a complete list of association or group members</b></p> </div> <div style="border: 1px solid black; padding: 2px;"> <p>Sponsoring Entity Tax ID number</p> <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table> </div> </div> <hr/> <p>Describe how members of the sponsoring entity meet the statutory requirement to be in the same trade or industry or same type of service:</p>											<p>Contact person's name and title</p> <hr/> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%; border-right: 1px solid black; padding: 2px;">Contact person's EMail address</td> <td style="padding: 2px;">Contact person's phone</td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;">Toll free phone number</td> <td style="padding: 2px;">Fax number</td> </tr> </table> <hr/> <p>This is an application for a certificate of authority to conduct business as a multiple employer welfare arrangement in Michigan for the purpose of providing the following <i>(check all that apply)</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Medical, surgical or hospital care or benefits</li> <li><input type="checkbox"/> Other benefits in the event of an accident</li> <li><input type="checkbox"/> Accidental death or dismemberment benefits</li> <li><input type="checkbox"/> Disability income benefits</li> <li><input type="checkbox"/> Death benefits</li> <li><input type="checkbox"/> Dental care or benefits</li> <li><input type="checkbox"/> Vision care or benefits</li> <li><input type="checkbox"/> Pre-paid legal coverage</li> </ul>	Contact person's EMail address	Contact person's phone	Toll free phone number	Fax number
Contact person's EMail address	Contact person's phone														
Toll free phone number	Fax number														

Describe the activities that the sponsoring entity provides for its members other than sponsorship of the MEWA:

How long has the sponsoring entity been in existence?	Projected number of EMPLOYERS who will be participating in the MEWA:	Projected number of individual EMPLOYEES who will be participating in the MEWA:
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## MEWA Trust Agreement Checklist

Use this form when initially submitting your trust agreement. Each item must be addressed. Item number one must be contained in the MEWA's Trust Agreement. The remaining items must be included in either the trust agreement, articles, or bylaws of the MEWA. When your filing is complete, use the space on this form to indicate the location of each item.

Name of MEWA

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Item to address:	Location of item	
	Document and Article reference	Page
1. Each trust agreement, whether covered by ERISA or not, must provide that trust assets will never inure to the benefit of any employer and will be held for the exclusive purposes of providing benefits to participants and their beneficiaries and defraying the reasonable expenses of administering the plan consistent with 29 USC 1103[c].	_____	_____
2. A procedure to inform persons covered by the trust of the names and addresses of the trustees.	_____	_____
3. Powers, duties and obligations of the trustees (see MCL 500.7026, 500.7028, 500.7030, 500.7032 and 500.7034 ).	_____	_____
4. The terms and conditions under which employers participate in the trust.	_____	_____
5. Provisions which insure that the plan is controlled and sponsored directly by the participating employers or employee members or both (MCL 500.7011(A)(iv))	_____	_____
6. The method of appointing, replacing and/or removing a trustee (MCL 500.7026[3] sets forth certain requirements).	_____	_____
7. The method for amending the trust (MCL 500.7026[1] requires trust amendments be filed with and approved by the Commissioner before taking effect).	_____	_____
8. The method of funding the trust, including the authority to assess contingent or additional premiums to members to restore cash reserves.	_____	_____
9. The method of distributing trust assets in the event the trust is terminated, including the authority to assess members for the funding of unpaid liabilities.	_____	_____

When all items are complete, attach a true copy of the trust agreement. Submit with your MEWA application filing.



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## Multiple Employer Welfare Arrangements (MEWA) Affiliate Disclosure Statement

To be completed by all members of the board of trustees, executive committee or other governing board or committee, and officers of the MEWA. Please type or print. For any of the questions 12 – 26 that are answered "yes," please explain on a separate sheet(s). Also, put the question number it relates to next to the response.

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Name of MEWA: \_\_\_\_\_

Your present or proposed position with MEWA: \_\_\_\_\_

1. Individual's full legal name:

- Mr.  
 Mrs.  
 Ms.

\_\_\_\_\_  
(Last)

\_\_\_\_\_  
(First)

\_\_\_\_\_  
(Middle)

\_\_\_\_\_  
(Suffix i.e. Jr., Sr., III)

2. Have you ever changed your name?  Yes  No

If **yes**, state the reason for the change:

\_\_\_\_\_

List other names used: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Social Security Number: \_\_\_\_\_

4. Date of Birth: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

5. Place of Birth:

\_\_\_\_\_  
(City)

\_\_\_\_\_  
(State)

6. List your residence for the last five years, starting with your current address:

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City)

\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Zip Code)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7. List your business address:

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City)

\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Zip Code)

List your daytime telephone: \_\_\_\_\_

8. Employment record for the past 5 years (director, officer or member):

<u>Date</u>	<u>Name of Organization/ Employer and Address</u>	<u>Title/ Office Held</u>

Business of current employer: \_\_\_\_\_

9. Present employer may be contacted?  Yes  No

Former employers may be contacted?  Yes  No

10. Identify any organization you currently hold a position with which has, or anticipates having, a contract, agreement, or other arrangement with the MEWA, a MEWA provider, or any other person having a financial relationship with the MEWA:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. Have you or your spouse ever been affiliated or associated with an insurance entity regulated by any Department of Insurance?

Yes  No

If **yes**, list such entities and state of domicile.

\_\_\_\_\_  
\_\_\_\_\_

Name of spouse, if applicable:

\_\_\_\_\_  
(Last) (First) (Middle)

12. a. Do you or any member of your family have a financial interest (**exceeding 5% of the stock or assets**) in any legal entity, which has a contract, agreement or other arrangement with the MEWA, an MEWA provider, or any other person concerning a financial relationship with the MEWA?

Yes  No

b. If **no**, do you anticipate that the relationship described above will occur in the succeeding three years?

Yes  No

13. List any entity in which you control directly/indirectly, or own legally/beneficially, **10% or more of the outstanding stock** (in voting power):

\_\_\_\_\_  
\_\_\_\_\_

Is any of the stock is pledged or hypothecated?

Yes  No

14. a. Have you even been in a position that required a fidelity bond?

Yes  No

14. b. If yes, were claims made on the bond?

Yes       No

c. Have you ever been denied an individual fidelity bond, or had a bond canceled or revoked?

Yes       No

15. Have you been refused a professional, occupation or vocational license by a public or governmental licensing agency or regulatory authority, or has such a license been suspended or revoked?

Yes       No

16. Have you ever participated in the formation of a MEWA?

Yes       No

If **yes**, provide the name and address of each MEWA, date, position held, and reason for leaving on a separate sheet.

17. Have you ever declared bankruptcy?

Yes       No

18. Have you ever had a civil judgment against you?

Yes       No

19. Have you ever been found liable in a civil action for fraud?

Yes       No

If **yes**, include date, nature of action, name of accusing party, and address on a separate sheet.

20. Have you ever been the subject of a cease and desist order, or entered into a settlement with any state or Federal regulatory agency?

Yes       No

If **yes**, please list date, nature of action, name of agency, and address on a separate sheet.

21. Have you ever been an officer, director, trustee, key employee, or controlling stockholder of any entity that, while in such position(s), became insolvent, was placed under supervision, receivership, rehabilitation, liquidation or conservatorship?

Yes       No

22. Has a certificate of authority or license to do business of any entity of which you were an officer, director, key management person, or controlling stockholder been suspended or revoked while you occupied such position(s)?

Yes       No

23. Have you ever been named a defendant in a suit or administrative hearing brought by any public or governmental licensing agency or regulatory authority for violation of, or to prevent the violation of, any securities or insurance law?

Yes       No

If **yes**, explain date, nature of action, name of accusing party, and address on a separate sheet.

24. a. Have you been convicted, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned for conviction of or plead guilty or nolo contendere to an information or indictment charging a felony, misdemeanor involving embezzlement, theft, larceny, mail fraud, a violation of corporate securities statute, or have you been subject to disciplinary proceedings by a federal or state regulatory agency?

Yes       No

b. Has any company been so charged, allegedly as a result of any action or conduct on your part?

Yes       No

25. Have you ever been found in violation of, pled no contest to, or settled any proceeding involving insurance law, regulation or rule, or state or federal securities laws, regulations or rules?

Yes       No

26. Have you ever engaged in business under a fictitious firm name either as an individual or in the partnership or corporation form?

Yes       No

I certify, under penalty of perjury, that I have examined each of the questions asked in this Affiliate Disclosure Statement and affirm that my responses are true and complete to the best of my knowledge and belief. I understand that if there is any substantial change to the information given in this statement, I am required to amend this statement and submit it to the Commissioner of the Office of Financial and Insurance Services with 30 days of the change.

\_\_\_\_\_  
Individual's Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Date

The above named individual personally appeared before me and/or is personally known to me. The individual deposes and says that he/she executed the above Affiliate Disclosure Statement and the responses are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_.

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
My Commission Expires (Date)

PA 218 of 1956 as amended requires submission by *all members of the board of trustees, executive committee or other governing board or committee, and officers of a MEWA applying for a Certificate of Authority in Michigan. Failure to properly complete and file this statement may result in denial or revocation of a MEWA's Certificate of Authority, or other compliance action.*



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# Multiple Employer Welfare Arrangement (MEWA) Certificate of Coverage Requirements Checklist

MEWA Name
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**BASIC CERTIFICATE OF COVERAGE REQUIREMENTS FOR MEWAS**

Section 500.7060 states in part that MEWAs are subject to additional sections and chapters in the same manner as an insurer authorized to transact insurance in this state. Included in the requirements are chapters 22, 34, & 36 of the Insurance Code. Listed below are pertinent sections that need to be included in your certificates. Check each of the items as you verify that they are included. Include completed checklist with your MEWA application filing.

Items in the following table must be included in your certificate of coverage: *(do not make your MEWA application filing until each of these items is included)*

MCL 500.7020	Issuance of policies by MEWA; premium or premium deposit; contingent premium; restoration of cash reserves
MCL 500.7044	A MEWA shall provide the following written notice to each individual covered by the plan: a) the fact that individuals covered by the plan are only partially insured; b) the fact that in the event the plan or MEWA does not ultimately pay medical expenses that are eligible for payment under the plan for any reason, the individuals covered by the plan may be liable for those expenses.
MCL 500.3403	Individual disability insurance policy; coverage for newly born children; notice of birth; payment of premium
MCL 500.3406a	Hospital, medical or surgical expense incurred policy; mastectomy benefit coverage required
MCL 500.3406b	Coverage for mental health services by mental health care provider
MCL 500.3406c	Hospice care; definition; description of coverage
MCL 500.3406d	Coverage for breast cancer diagnostic services, breast cancer outpatient treatment services, and breast cancer rehabilitative services; coverage for breast cancer screening mammography; definitions.
MCL 500.3406e	Coverage for drugs used in antineoplastic therapy and cost of its administration; conditions
MCL 500.3406k	Emergency health services; medical services coverage; "stabilization" defined.
MCL 500.3406o	Insurer providing prescription drug coverage; formulary restrictions
MCL 500.3406p	Establishment of program to prevent onset of clinical diabetes required; report; coverages; "diabetes" defined.
MCL 500.3609a	Group disability insurance policy; substance abuse;
MCL 500.3613	Group hospital, medical, or surgical expense incurred policy; mastectomy benefit coverage required

A MEWA may contract with provider networks either directly or through its third party administrator. Members are required to seek care through network providers in order for the highest level of benefits to be paid. If the Applicant intends to use such an arrangement, the following must be addressed in the certificate of coverage:

a)	How to obtain a list of participating providers.
b)	Whether or not members need to choose a primary care physician from that list of participating providers.
c)	Notice to the member that it is their responsibility to determine whether a provider participates in the network before a service is received.
d)	In what instances prior authorization of specialty services or other services is required.
e)	Instructions on how a member obtains prior authorization for services, when necessary.
f)	A description of the difference in reimbursement for services from network and non-network providers.
g)	A description of balance billing should be included. (This is the difference between the amounts determined to be payment in full for covered services from a network provider and a non-network provider's charge).
h)	A description of how payment is determined for emergency services obtained from non-network providers.
i)	A description of how payment is determined for services from non-network providers when no network provider is available to perform medically necessary covered services.

It is **STRONGLY SUGGESTED** that items in the following table be included in your certificate of coverage:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> Name and address of organization</li> <li><input type="checkbox"/> Definitions of terms subject to interpretation</li> <li><input type="checkbox"/> The effective date and duration of coverage</li> <li><input type="checkbox"/> The conditions of eligibility</li> <li><input type="checkbox"/> A statement of responsibility for payments</li> <li><input type="checkbox"/> A description of specific benefits and services available under the contract with respective copayments and deductibles</li> <li><input type="checkbox"/> A description of emergency services</li> <li><input type="checkbox"/> A specific description of any limitation, exclusion, and exception, including any preexisting condition limitation, grouped together with captions in boldfaced type</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Covenants of the subscriber shall address all of the following subjects: timely payments; nonassignment of benefits; truth in application and statements; notification of change in address; theft of membership identification</li> <li><input type="checkbox"/> A statement of subrogation and coordination of benefits provisions, including any responsibility of the enrollee to cooperate</li> <li><input type="checkbox"/> Provisions for adding new family members or other acquired dependents</li> <li><input type="checkbox"/> Provisions for grace periods for late payment</li> <li><input type="checkbox"/> A description of any specific terms under which the MEWA or subscriber can terminate the contract</li> <li><input type="checkbox"/> A statement of the nonassignability of the contract</li> </ul> |
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PA 218 of 1956 as amended requires submission by MEWA applicants. Failure to properly file may result in denial of or compliance action against your MEWA Certificate of Authority.



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# Multiple Employer Welfare Arrangement (MEWA) Grievance Procedure Checklist

MEWA Name
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*REQUIRED GRIEVANCE PROCEDURE ELEMENTS  
MCL 500.2213*

Check each of the items as you verify that they are included. Include completed checklist with your MEWA application filing.

	a) Provides for a designated person responsible for administering grievance system, and serving as Health Plans Division's contact person
	b) Provides a designated person or telephone number for receiving complaints. Fax and e-mail would also be helpful, if available
	c) Ensures full investigation of a complaint
	d) Provides for timely notification to the insured or enrollee as to the progress of an investigation
	e) Provides an insured or enrollee the right to appear before the Board of Directors or designated committee or the right to a managerial-level conference to present a grievance
	f) Provides for notification <b>in plain English</b> to the insured or enrollee of the results of the insurer's or health maintenance organization's investigation and for advisement of the insured's or enrollee's right to review the grievance by the commissioner or by an independent review organization under the patient's right to independent review act, <b>2000 PA 251, MCL 550.1901 to 550.1929.</b>
	g) Provide summary data on the number and types of complaints and grievances filed. Beginning April 15, 2001, this summary data for the prior calendar year shall be filed annually with the commissioner on forms provided by the commissioner.
	h) Provide for periodic management and governing body review of the data to assure that appropriate actions have been taken
	i) Provides for copies of all complaints and responses to be available at the principle office of the insurer or health maintenance organization for inspection by the commissioner for 2 years following the year the complaint was filed.
	j) When an adverse determination is made, a written statement <b>in plain English</b> containing the reasons for the adverse determination is provided to the insured or enrollee along with written notifications as required under the patient's right to independent review act, <b>2000 PA 251, MCL 550.1901 to 550.1929.</b>
	k) That a final determination will be made in writing by the insurer or health maintenance organization not later than <b>35 calendar days after</b> a formal grievance is submitted in writing by the insured or enrollee. <b>The timing for the 35 calendar days</b> may be tolled, however, for any period of time the insured or enrollee is permitted to take under the procedure and for a period of time that shall <b>not exceed 10 business days</b> if the insurer or health maintenance organization has not received information from a health care facility or health professional.
	l) That a determination will be made by the insurer or health maintenance organization <b>not later than 72 hours after receipt of an expedited grievance.</b> Within <b>10 days after receipt of a determination</b> , the insured or enrollee may request a determination of the matter by the commissioner or his or her designee or by an independent review organization under the patient's right to independent review act. If the determination by the insurer or health maintenance organization is made orally, the insurer or health maintenance organization shall provide a written confirmation of the determination to the insured or enrollee <b>not later than 2 business days after the oral determination.</b> An <b>expedited grievance</b> under this subdivision applies if a grievance is submitted and a physician, orally or in writing, substantiates that the time frame for a grievance under subdivision (k) would seriously jeopardize the life or health of the insured or enrollee or would jeopardize the insured's or enrollee's ability to regain maximum function.
	m) That the insured or enrollee has the right to a determination of the matter by the commissioner or his or her designee or by an independent review organization under the patient's right to independent review act, <b>2000 PA 251, MCL 550.1901 to 550.1929.</b>

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# Multiple Employer Welfare Arrangement (MEWA) Rate Filing Requirements Checklist

MEWA Name
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Check each of the items as you verify that they are included.  
Include completed checklist with your MEWA application filing.

### Required Elements

	a) Applications from at least two (2) employers covering at least 200 participating employees. Annual gross premiums must be at least \$20,000 for vision only plans, \$75,000 for dental only plans, and \$200,000 for all other plans. <b>500.7011(b)</b>
	b) If applicable, separate rate schedules for medical, dental, vision, disability, death benefit, and prepaid legal benefits. <b>500.7006</b>

### Highly Suggested Documentation

	a) Written explanation regarding trend derivation for renewals.
	b) Breakdown of cost and utilization by category i.e., outpatient/inpatient, office visits, prescription drugs, x-ray, maternity etc.
	c) Support for administrative expense loads.
	d) Written explanation of rating methodology.
	e) Any other information which supports how premium rates were derived.

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