

MEWA Exemption—Qualified Associations and Other Business Entities; SB 309

SB 309 amends a provision in the Insurance Code to add any other qualified trade, merchant, retail or professional association or business league, and farmers' cooperatives to the list of associations providing health insurance coverage exempted from the jurisdiction of the Kansas Insurance Commissioner.

The bill defined a "qualified trade, merchant, retail or professional association or business league" as any *bona fide* trade, merchant, retail or professional association or business league that has been in existence for at least five calendar years and is composed of five or more employers.

The bill further specifies the exemption for farmers' cooperatives applies to an entity that is organized as a farmers' cooperative under the Kansas Cooperative Marketing Act and is an association of farmers' cooperatives and other like associations operated on a cooperative basis and their affiliated companies that provide benefits.

Associations and other qualifying entities will be required to comply with related written notification requirements to specify, among other things, the coverage is not provided by an insurance company and the plan is not under the jurisdiction of the Insurance Commissioner.

The 1991 Legislature exempted five multiple employer welfare arrangement (MEWA) association groups from the jurisdiction of the Insurance Commissioner. Those five associations exempted in KSA 2013 Supp. 40-2222 are a professional association of architects (American Institute of Architects—Kansas), a professional association of dentists (Kansas Dental Association), a trade association of banks (Community Bankers Association of Kansas), a trade association of truckers (National Association of Independent Truckers), and an association of physicians practicing in the Kansas City metropolitan area that provides certain health benefits to the members of the association. The 2013 Legislature authorized exemption for an additional association, a trade association of banks (the Kansas Bankers Association).