

PROJECT HISTORY – 2006

PREVENTION OF ILLEGAL MULTIPLE EMPLOYER WELFARE ARRANGEMENTS (MEWAS) AND OTHER ILLEGAL INSURERS MODEL REGULATION (#220)

1. Project Description

A chair discussion draft of the Illegal MEWA Prevention Model Regulation was first circulated and comments were solicited at the 2004 Winter National Meeting. This new model regulation was intended to replace Model #220: Reporting Requirements for Licensees Seeking to do Business with Certain Unauthorized Multiple Employer Welfare Arrangements (MEWAs) Model Regulation. A public hearing was held at the 2005 Spring National Meeting in order to obtain additional information and comments from licensees who would be affected by this model regulation.

David Starr, Church Alliance; and Mila Kofman, Georgetown University Institute for Health Care Research and Policy.

A concern was raised that the due diligence requirements were not detailed enough for licensees to know exactly what they have to do to be in compliance. The working group was of the opinion that it is impossible to develop a definitive list as to what appropriate due diligence would be in every scenario. The exercise of good judgment is a necessary component of exercising due diligence and it cannot be legislated.