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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1952

03/17/2015 Authored by Koznick, Peterson and Loonan

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to health insurance; authorizing the Nonprofit Insurance Trust to
1.3 self-insure for purposes of health benefits insurance; amending Minnesota
1.4 Statutes 2014, sections 62H.01; 471.617, subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2014, section 62H.01, is amended to read:

1.7 **62H.01 AUTHORITY TO JOINTLY SELF-INSURE.**

1.8 (a) Any two or more employers, ~~excluding the state and its political subdivisions as~~
1.9 ~~described in section 471.617, subdivision 1,~~ who are authorized to transact business in
1.10 Minnesota may jointly self-insure employee health, dental, short-term disability benefits,
1.11 or other benefits permitted under the Employee Retirement Income Security Act of 1974,
1.12 United States Code, title 29, sections 1001 et seq. If an employer chooses to jointly
1.13 self-insure in accordance with this chapter, the employer must participate in the joint plan
1.14 for at least three consecutive years. If an employer terminates participation in the joint
1.15 plan before the conclusion of this three-year period, a financial penalty may be assessed
1.16 under the joint plan, not to exceed the amount contributed by the employer to the plan's
1.17 reserves as determined under Minnesota Rules, part 2765.1200. Joint plans must have
1.18 a minimum of 1,000 covered enrollees and meet all conditions and terms of sections
1.19 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet
1.20 the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering
1.21 Minnesota resident employees was treated as a separate plan.

1.22 (b) A multiple employer welfare arrangement as defined in United States Code, title
1.23 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee
1.24 Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et

2.1 seq. The commissioner of commerce may, on behalf of the state, enter into an agreement
2.2 with the United States Secretary of Labor for delegation to the state of some or all of the
2.3 secretary's enforcement authority with respect to multiple employer welfare arrangements,
2.4 as described in United States Code, title 29, section 1136(c).

2.5 (c) The following are not subject to this chapter:

2.6 (1) the state and its political subdivisions as described in section 471.617,
2.7 subdivision 1; and

2.8 (2) the Nonprofit Insurance Trust incorporated under chapter 317A and its members
2.9 which are incorporated under chapter 317A.

2.10 Sec. 2. Minnesota Statutes 2014, section 471.617, subdivision 2, is amended to read:

2.11 Subd. 2. **Jointly.** Any two or more statutory or home rule charter cities,
2.12 counties, school districts, or instrumentalities thereof, and the Nonprofit Insurance Trust
2.13 incorporated under chapter 317A and its members incorporated under chapter 317A,
2.14 which together have more than 100 employees may jointly self-insure for any employee
2.15 health benefits including long-term disability, but not for employee life benefits, subject to
2.16 the same requirements as an individual self-insurer under subdivision 1. Self-insurance
2.17 pools under this section are subject to section 62L.045. A self-insurance pool established
2.18 and operated by one or more service cooperatives governed by section 123A.21 to
2.19 provide coverage described in this subdivision qualifies under this subdivision, but the
2.20 individual school district members of such a pool shall not be considered to be self-insured
2.21 for purposes of section 471.6161, subdivision 8, paragraph (f). The commissioner of
2.22 commerce may adopt rules pursuant to chapter 14, providing standards or guidelines for
2.23 the operation and administration of self-insurance pools.