

§6601. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1993, c. 688, §1 (NEW).]

1. Declaration of trust. "Declaration of trust" means a joint statement of those participating employers composing a multiple-employer welfare arrangement in which the purposes, plan of administration, rights and duties of the participants and the manner of funding obligations arising under the arrangement are established.

[PL 1993, c. 688, §1 (NEW).]

2. Fund balance. "Fund balance" means the total assets in excess of total liabilities, except that assets pledged to secure debts not reflected on the books of the multiple-employer welfare arrangement are not included in the fund balance. "Fund balance" includes other contributed capital, retained earnings and subordinated debt.

[PL 1993, c. 688, §1 (NEW).]

3. Funded trust. "Funded trust" means that legal entity created to receive, hold and administer contributions of employers participating in the arrangement that is composed of assets acceptable to the superintendent equal to or in excess of loss reserves and all other liabilities of the arrangement. A trust is not fully funded if any part of the corpus consists of a surety bond.

[PL 1993, c. 688, §1 (NEW).]

4. Insolvent or impaired condition. A multiple-employer welfare arrangement is "insolvent" or in an "impaired condition" when the fund balance is in a deficit position.

[PL 1993, c. 688, §1 (NEW).]

5. Multiple-employer welfare arrangement. "Multiple-employer welfare arrangement" or "arrangement" means an employer welfare benefit plan or any other arrangement that is established or maintained for the purpose of offering or providing health benefits to the employees of 2 or more employers or to their beneficiaries. For the purposes of this chapter only, an employer welfare benefit plan or any other arrangement that, after April 30, 1996, is established or maintained for the purpose of offering or providing health benefits to employees leased to client companies by an employee leasing company required to be registered under Title 32, chapter 125 must be treated as a multiple-employer welfare arrangement within the meaning of this chapter. "Multiple-employer welfare arrangement" does not include a plan or arrangement established or maintained before January 1, 1993 by the State, a political subdivision of the State or an association composed of political subdivisions of the State primarily to cover its employees, former employees or their dependents, nor does it include a plan or arrangement established or maintained under or pursuant to one or more agreements deemed collective bargaining agreements under the federal Employee Retirement Income Security Act of 1974, Section 3(40)(A)(i), as amended. For purposes of this chapter, 2 or more trades or businesses, whether or not incorporated, are deemed a single employer if those trades or businesses are under common ownership or within the same control group as defined under the federal Employee Retirement Income Security Act of 1974, Section 3(40)(B). For the purposes of this chapter only, each of an employee leasing company's client companies, as defined in Title 32, section 14051, is considered a separate employer as long as it is not deemed a single employer under this subsection.

[PL 1995, c. 618, §5 (AMD).]

6. Participation agreement. "Participation agreement" means the document pursuant to which an employer undertakes and agrees to fulfill the obligation of employers imposed by the declaration of trust.

[PL 1993, c. 688, §1 (NEW).]

7. Qualified financial institution. "Qualified financial institution" means an institution that is organized, or in the case of a United States branch or agency office of a foreign banking organization

is licensed under the laws of the United States or any state, and has been granted authority to operate with fiduciary powers and is regulated, supervised and examined by federal or state authorities having regulatory authority over banks and trust companies.

[PL 1993, c. 688, §1 (NEW).]

8. Third-party administrator. "Third-party administrator" or "administrator" means an administrator licensed pursuant to chapter 18.

[PL 1993, c. 688, §1 (NEW).]

SECTION HISTORY

PL 1993, c. 688, §1 (NEW). PL 1995, c. 618, §5 (AMD).

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