

**ECONOMIC IMPACT STATEMENT  
OF PROPOSED RULES OR REGULATIONS  
EO 05-04: Regulatory Flexibility**

**Department:** Arkansas Insurance Department  
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**Division:** Legal  
**Date:** August 13, 2019  
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**Title or Subject:**

Proposed Rule 119 "Multiple-Employer Welfare Benefit Plans"

**Benefits of the Proposed Rule or Regulation**

1. Explain the need for the proposed change(s). Did any complaints motivate you to pursue regulatory action? If so, please explain the nature of such complaints.

The proposed Rule is needed to implement Ark. Code Ann. § 23-92-101(c)(3) and Arkansas Act 919 of 2019.

2. What are the top three benefits of the proposed rule or regulation?
  - (1) Provides licensing standards for Multiple-Employer Welfare Benefit Plans ("MEWAs);
  - (2) Provides financial solvency requirements for MEWAs;
  - (3) Allows smaller employers to band together to better able create or purchase health benefit plans for its employer members.

See the Summary we attached to the BLR Questionnaire for more details.

3. What, in your estimation, would be the consequence of taking no action, thereby maintaining the status quo?

Employers would have no cost effective method of combining together to create health plans for participating employers for the provision of health insurance for its members.

4. Describe market-based alternatives or voluntary standards that were considered in place of the proposed regulation and state the reason(s) for not selecting those alternatives.

None because there exists no state law standards at this time for the licensing, formation and regulation of MEWAs.



## Impact of Proposed Rule or Regulation

5. Estimate the cost to state government of collecting information, completing paperwork, filing, recordkeeping, auditing and inspecting associated with this new rule or regulation.

None.

6. What types of small businesses will be required to comply with the proposed rule or regulation? Please estimate the number of small businesses affected.

None.

7. Does the proposed regulation create barriers to entry? If so, please describe those barriers and why those barriers are necessary.

None.

8. Explain the additional requirements with which small business owners will have to comply and estimate the costs associated with compliance.

None.

9. State whether the proposed regulation contains different requirements for different sized entities, and explain why this is, or is not, necessary.

None.

10. Describe your understanding of the ability of small business owners to implement changes required by the proposed regulation.

The propose Rule does not require "small business owners" to implement provisions in the proposed Rule.

11. How does this rule or regulation compare to similar rules and regulations in other states or the federal government?

This proposed rule adopts similar provisions in Texas and Oklahoma pertaining to the licensing standards and regulations of MEWAs.

12. Provide a summary of the input your agency has received from small business or small business advocates about the proposed rule or regulation.

We have received no comments from small businesses at this time.