

**OFFICE OF THE COMMISSIONER OF INSURANCE
STATE OF NORTH CAROLINA**

**APPLICATION FOR CERTIFICATE OF AUTHORITY FOR
MULTIPLE EMPLOYER WELFARE ARRANGEMENT (MEWA)**

To the Commissioner of Insurance of the State of North Carolina:

(Name of MEWA)

domiciled in the State of _____ and whose home or principal office in the City of _____ and the State of _____ by its Trustees hereby make application for a Certificate of Authority to transact business as a MEWA in the State of North Carolina for the year ending _____.
(six months following the MEWA's fiscal year end)

Part I. Provide information about the sponsoring organization:

1. State the name of the trade, industry or professional association of employers or professionals which proposes to establish the MEWA:

2. Mailing Address: _____

Street Address: _____

Telephone Number: (_____) _____ Fax Number: (_____) _____

3. Date sponsoring organization was established: _____

Attach a copy of the articles of incorporation, constitution or bylaws of the sponsoring organization.

Date MEWA was established: _____

4(a). List the names and addresses of the current officers and directors of the sponsoring organization:

(b). Will there be any contracts between any officers or directors of the sponsoring organization and the MEWA? _____ **If so, explain:**

(c). Might any officers or directors of the sponsoring organization present any possible conflict of interest regarding the MEWA? Have any of these individuals been the subject of criminal investigation(s)? _____ **If so, explain:**

(d). Attach a biographical affidavit form for each officer and director of the sponsoring organization. **Each affidavit must be signed, notarized, and completed in its entirety; no questions should be left unanswered.**

Part II. Provide information about the MEWA:

1. Name of the MEWA: _____

2. Mailing Address: _____

Street Address: _____

Telephone Number: (_____) _____ Fax Number: (_____) _____

3. Date MEWA was established: _____

Attach a copy of the articles of incorporation, bylaws or trust agreement with the evidence of acceptance by each trustee which governs the operation of the MEWA. If the trust agreement or bylaws do not specifically indicate that the trustees have complete fiscal control over and are responsible for all operations of the MEWA and that the trustees have authority to contract with an authorized administrator or service company to administer the day-to-day affairs of the arrangement, attach other documents which specify authority.

4(a). List the names and addresses of the officers or trustees of the MEWA, including the name of the employer represented by each officer or trustee and the association of the officer or trustee with such employer.

(b). Indicate whether each officer and trustee is either an owner, partner, officer, director, or employee of a contractee participating, or committed to participate, in this MEWA.

(c). Might any officers or trustees present any possible conflict of interest regarding the MEWA? Have any of these individuals been the subject of criminal investigation(s)? _____ **If so, explain:**

(d). Attach a biographical affidavit form for each officer and trustee of the MEWA. **Each affidavit must be signed, notarized, and completed in its entirety; no questions should be left unanswered.**

5(a). State the name, address and telephone number of the service company or third party administrator responsible for servicing the program of the MEWA.

- (b). Attach a copy of the service company or administrator's North Carolina TPA license or certificate of registration.
- (c). Attach a copy of the agreement between the service company or administrator.
- 6(a). List the names, addresses, and titles of all persons directly employed by the MEWA who solicit participants or adjust claims. Indicate whether such person has a license issued by the Department and if so, the type of license held.

- (b). Attach a copy of the North Carolina license held by each person listed above.
- (c). List the names, addresses, and titles of all persons directly employed by the MEWA who solicit participants or adjust claims, but do not have a license issued by the Department. Indicate the qualifications of such persons.

- (d). Attach a copy of the contract between the MEWA and each person listed above.

7. Provide a description of the MEWA's marketing efforts:

8. Provide indication that the MEWA has provided for a sufficient number of competent persons to service its program in the areas of claims adjusting and underwriting.

9. Submit copies of any other contracts entered into by the MEWA.

10. Attach a copy of the fidelity bond covering the MEWA. The bond must be in an amount not less than 10 percent of the funds handles annually, issued in the name of the MEWA and covering its trustees, directors, officers, employees, administrator or other individuals managing or handling the funds or assets of the arrangement. **In no case shall such bond be less than \$50,000 nor more than \$500,000, except that the Department, after due notice and opportunity for hearing to all interested parties and after consideration of the record, may prescribe an amount in excess of \$500,000, subject to the 10 percent limitation of the preceding sentence.**
11. List the names and addresses of employer groups currently participating in the MEWA and the current number of participants per employer.

- 12(a). Attach a copy of the policy, contract, certificate, summary, plan description or other evidence of the benefits and coverages provided to each covered employee. Such documents must contain, in bold faced print and in at least 12-point type in a conspicuous location, the following statement:

"THE BENEFITS AND COVERAGES DESCRIBED HEREIN ARE PROVIDED THROUGH A TRUST FUND ESTABLISHED BY A GROUP OF EMPLOYERS (name of MEWA). EXCESS INSURANCE IS PROVIDED BY A LICENSED INSURANCE COMPANY TO COVER HIGH AMOUNT MEDICAL CLAIMS. THE TRUST FUND IS NOT SUBJECT TO ANY INSURANCE GUARANTY ASSOCIATION, ALTHOUGH THE TRUST FUND IS MONITORED BY THE NORTH CAROLINA DEPARTMENT OF INSURANCE. OTHER RELATED FINANCIAL INFORMATION IS AVAILABLE FROM YOUR EMPLOYER OR FROM THE (name of MEWA)."

If applicable, the same documents shall contain, in boldface print in a conspicuous location, the following statement:

PARTICIPATING EMPLOYERS WILL BE RESPONSIBLE FOR FUNDING ALL CLAIMS COVERED UNDER THE TRUST."

- (b) Attach a table of proposed premiums or proposed base rates and factors that will be used to calculate the premiums for each group or enrollee. Include a brief description of how the rates and factors will be used.
- (c) Attach an actuarial statement as to the adequacy of rates, appropriation for risk and description of formula. The MEWA must use sound actuarial principals to provide sufficient revenues to pay current and future liabilities.
13. Attach a copy of pro-forma financial statements, **prepared in accordance with statutory accounting principles**, with loss reserves indicated.

14. Attach a feasibility study, completed by an independent qualified actuary and an independent certified public accountant. The study must be for the greater of the three years or until the MEWA has been projected to be profitable for twelve consecutive months. The study must provide information pertaining to rate analysis, financial analysis, market analysis, total assets and liabilities, operating expenses, gross revenues, net income, cash flow, market potential, market penetration, market competition and other pertinent information as may be required by the Commissioner.
15. Attach a copy of the excess insurance agreement covering the MEWA, along with a summary description of the agreement with enough detail to indicate the nature of the coverage and net retention limits. **The agreement shall provide that the net retention level for any one risk shall not exceed \$25,000. Pursuant to NCGS 58-49-40, the policy must contain a provision that requires the issuer to notify the Commissioner of Insurance at least 60 days prior to termination or modification of the policy.**
16. Provide a copy of any information/forms/documents filed with the federal government to comply with ERISA.
17. State the name, address, and telephone number of the attorney or principal filing this application:

Part III. ATTESTATION (Note: The signature of each Trustee is required.)

I affirm that all the foregoing information and documentary evidence is true and correct.

Signature of Affiant

Title

Sworn before me this _____ day of _____, 19____, <notary seal>

_____, Notary Public

My commission expires _____ County of _____ State of _____

I affirm that all the foregoing information and documentary evidence is true and correct.

By: _____
Name of Trustee

Sworn before me this _____ day of _____, 19____, <notary seal>

_____, Notary Public

My commission expires _____ County of _____ State of _____

By: _____
Name of Trustee

Sworn before me this _____ day of _____, 19____, <notary seal>

_____, Notary Public

My commission expires _____ County of _____ State of _____

By: _____
Name of Trustee

Sworn before me this _____ day of _____, 19____, <notary seal>

_____, Notary Public

My commission expires _____ County of _____ State of _____

I affirm that all the foregoing information and documentary evidence is true and correct.

By: _____
Name of Trustee

Sworn before me this _____ day of _____, 19____, _____ <notary seal>
_____, Notary Public

My commission expires _____ County of _____ State of _____

By: _____
Name of Trustee

Sworn before me this _____ day of _____, 19____, _____ <notary seal>
_____, Notary Public

My commission expires _____ County of _____ State of _____

By: _____
Name of Trustee

Sworn before me this _____ day of _____, 19____, _____ <notary seal>
_____, Notary Public

My commission expires _____ County of _____ State of _____

I affirm that all the foregoing information and documentary evidence is true and correct.

By: _____
Name of Trustee

Sworn before me this _____ day of _____, 19____, <notary seal>
_____, Notary Public

My commission expires _____ County of _____ State of _____

By: _____
Name of Trustee

Sworn before me this _____ day of _____, 19____, <notary seal>
_____, Notary Public

My commission expires _____ County of _____ State of _____

By: _____
Name of Trustee

Sworn before me this _____ day of _____, 19____, <notary seal>
_____, Notary Public

My commission expires _____ County of _____ State of _____