



**STATE OF CONNECTICUT**  
**INSURANCE DEPARTMENT**

BULLETIN HC-43  
July 25, 1990

**TO: ALL INSURANCE COMPANIES AUTHORIZED TO DO BUSINESS IN CONNECTICUT**  
**SUBJECT: MULTIPLE EMPLOYER WELFARE ARRANGEMENTS (MEWAs)**

This Department is in receipt of a letter from the U.S. Labor Department citing the growing problems of MEWAs that are operating in an uninsured, unfunded and sometimes fraudulent manner. Reference is also made to promoters who have sought to exploit the lack of affordable health care coverage through abusive and fraudulent practices.

The problems that are attendant to MEWAs are no more nor no less than those that were brought to the attention of the Department by the establishment of uninsured Multiple Employer Trusts (METs) over the years.

The Department's position with respect to so called self-insured METs and now MEWAs is that they are doing an insurance business without authority or license to do so and are, therefore, illegal operations.

The Departments herein advises that it will consider any company or agent involved with the establishment of a MEWA to be aiding and abetting an unlicensed company to do business in this state whether acting as a third party administrator, the writer of a stop-loss policy or in any other capacity.

All companies are herein directed to advise their agents of the Department's position.

The Department will continue to recognize that certain plans fall under Federal preemption under the Employee Retirement Income Security Act (ERISA) and will not interfere with any plan that has a clear and concise statement from the U.S. Labor Department that it is ERISA exempt.

In the interim, the Department will view any uninsured MEWA, MET or VEBA (Voluntary Employee Benefit Association) as an illegal operation.

A handwritten signature in cursive script that reads "Peter F. Kelly".

PETER F. KELLY  
Insurance Commissioner

Phone:

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*An Equal Opportunity Employer*