BUREAU OF INSURANCE

MULTIPLE EMPLOYER WELFARE ARRANGEMENTS
14 VAC 5-10 OF THE VIRGINIA ADMINISTRATIVE CODE

REQUIREMENTS FOR OPERATING IN VIRGINIA

A multiple employer welfare arrangement (MEWA) is regulated in Virginia pursuant to the authority vested in the State Corporation Commission under § 38.2-223 and Article 3 (§ 38.2-3420 et seq.) of Chapter 34 of Title 38.2 of the Code of Virginia. Specific requirements for the operation of a MEWA in Virginia are detailed in the Commission's Rules Governing Multiple Employer Welfare Arrangements (14 VAC 5-410).

14 VAC 5-410-30 defines the term "multiple employer welfare arrangement" to mean

> any plan or arrangement which is established or maintained for the purpose of offering or providing coverage for health care services, whether such coverage is by direct payment, reimbursement, or otherwise, to employees of two or more employers, or to their beneficiaries except that such term does not include any such plan or other arrangement which is established or maintained
>
> 1. Under or pursuant to one or more agreements which the Secretary of the United States Department of Labor finds to be collective bargaining agreements, or
> 2. By a rural electric cooperative.

A fully insured MEWA shall not operate in Virginia without first filing with the Commission in accordance with 14 VAC 5-410-40 B. A MEWA that is not fully insured as defined in 14 VAC 5-410-30 shall not operate in Virginia without first meeting the criteria and becoming appropriately licensed as an insurance company, health maintenance organization, health services plan, or a dental or optometric services plan pursuant to Title 38.2 of the Code of Virginia.

The requirements for a fully insured MEWA are attached. The requirements for becoming licensed as an insurance company, health maintenance organization, health services plan, or a dental or optometric services plan may be viewed on the website of the Bureau of Insurance at www.scc.virginia.gov/boi/co/lic_reg.aspx.

The following documents relating to the operation of a MEWA in Virginia are attached:

1. Initial Filing Requirements for Fully Insured MEWAs
2. Annual Filing Requirements for Fully Insured MEWAs
3. Proof of Coverage form
4. Policy Verification form
5. Demographic Information form
6. Article 3 of Chapter 34 of Title 38.2 of the Code of Virginia
7. Commission's Rules Governing Multiple Employer Welfare Arrangements

If a corporation, partnership, limited liability company or business trust establishes or maintains a MEWA, the company should secure either a Certificate of Incorporation or a Certificate of Authority from the Office of the Clerk of the State Corporation Commission. You may contact the Office of the Clerk at (804) 371-9733. Information pertaining to this process may also be obtained at www.scc.virginia.gov/clk/.

If you have any questions relating to the operation of a MEWA in Virginia, please contact the following persons with the Company Licensing and Regulatory Compliance Section of the Bureau of Insurance:

Ms. Daryl Hepler
Senior Insurance Financial Analyst
(804) 371-9999
Daryl.Hepler@scc.virginia.gov

Ms. Nataliya Kaplun
Insurance Financial Analyst
(804) 371-9902
Nataliya.Kaplun@scc.virginia.gov

All filing requirements should be mailed to Andy R. Delbridge, Supervisor, at the following address:

Company Licensing and Regulatory Compliance
Bureau of Insurance
P.O. Box 1157
Richmond, Virginia 23218

INITIAL FILING REQUIREMENTS FOR FULLY INSURED MULTIPLE EMPLOYER WELFARE ARRANGEMENTS

Prior to operating in Virginia, a fully insured MEWA shall submit the following information in accordance with 14 VAC 5-410-40 B:

(1) Biographical Affidavits of the plan's trustees, officers, directors, or other members of the plan's governing body. The most current version of the NAIC Biographical Affidavit may be accessed through the NAIC's website at http://www.naic.org/industry_ucaa.htm. Affidavits must be current and shall not be signed by the affiant more than one year prior to the date the initial filing is submitted. Background Reports are not required.

(2) The names, addresses, and qualifications of individuals responsible for the conduct of the plan's affairs, including any third-party administrators.

(3) The names, addresses, and qualifications of persons who will solicit, negotiate, procure, or effect applications for coverage with the plan.

(4) The names and addresses of employers and participants enrolled in the plan.

(5) A Proof of Coverage form affirming that all of the covered benefits are fully insured on a direct basis by an insurer, health maintenance organization, health services plan, or dental or optometric services plan as required by the definition of "fully insured" in 14 VAC 5-410-30. This form is to be completed and certified by an officer, director, or trustee of the plan.

(6) A Policy Verification form affirming that an insurer, health maintenance organization, health services plan, or dental or optometric services plan has issued a contract of insurance to the plan. This form is to be completed and certified by an officer or director of the insurer.

(7) A copy of all current policies or contracts of insurance issued to the plan that provide coverage for health care services.

(8) A copy of any current Trust Agreement, Plan Document, Plan Summary, Articles of Incorporation, Bylaws, or any other descriptive analysis of the structure of the plan.

(9) A copy of all current marketing materials used by the plan.

(10) A Demographic Information form providing MEWA, Third Party Administrator, Regulatory, and Insurer contacts. The MEWA contact should be the person responsible for filing all applicable forms and changes in information pursuant to 14 VAC 5-410-40 D. The regulatory contact should be the person responsible for receiving laws and regulations that may affect the plan.

ANNUAL FILING REQUIREMENTS FOR FULLY INSURED MULTIPLE EMPLOYER WELFARE ARRANGEMENTS

In addition to the Initial Filing Requirements, a fully insured MEWA shall annually on or before March 1 submit the following information in accordance with 14 VAC 5-410-40 D:

(1) A Proof of Coverage form affirming that all of the covered benefits are fully insured on a direct basis by an insurer, health maintenance organization, health services plan, or dental or optometric services plan as required by the definition of "fully insured" in 14 VAC 5-410-30. This form is to be completed and certified by an officer, director, or trustee of the plan.

(2) A Demographic Information form providing MEWA, third party administrator, regulatory, and insurer contacts. The MEWA contact should be the person responsible for filing all applicable forms and changes in information pursuant to 14 VAC 5-410-40 D. The regulatory contact should be the person responsible for receiving laws and regulations that may affect the plan.

(3) Notice of any changes in information as previously filed with the Commission. This should include, but is not limited to, the following items:

a. Biographical Affidavits of any new trustees, officers, directors, or other members of the plan's governing body;

b. The names, addresses, and qualifications of any new individuals responsible for the conduct of the plan's affairs, including any third-party administrators;

c. The names, addresses, and qualifications of any new persons who will solicit, negotiate, procure, or effect applications for coverage with the plan;

d. The names and addresses of any new employers and participants enrolled in the plan;

e. Any new policy or amendment;

f. Any new Trust Agreement, Plan Document, Plan Summary, or Bylaws;

g. Any new marketing material; and,

h. Any other new agreements.

The Bureau of Insurance will mail a letter detailing the annual filing requirements in December of each year to all registered MEWAs.

RESET FORM

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

PROOF OF COVERAGE
MULTIPLE EMPLOYER WELFARE ARRANGEMENT ("MEWA")

The following information is to be affirmed by a trustee, officer or director of the Multiple Employer Welfare Arrangement:

_____
MEWA Identification Number (Assigned by Bureau)

_____
Federal Employer Identification Number (FEIN)

_____
Full and Exact Name of MEWA

I hereby certify that all of the covered benefits of this MEWA are (i) insured on a direct basis by an insurance company licensed and in good standing to transact the business of insurance in Virginia pursuant to Title 38.2 of the Code of Virginia or (ii) arranged for or provided on a direct basis by (1) a health services plan licensed and in good standing in Virginia pursant to Chapter 42 of Title 38.2 of the Code of Virginia, (2) a health maintenance organization licensed and in good standing in Virginia pursuant to Chapter 43 of Title 38.2 of the Code of Virginia, (3) a dental or opometric services plan licensed and in good standing in Virgnia pursuant to Chapter 45 of Title 38.2 of the Code of Virginia, or (4) any combination thereof. I further certify that the above named MEWA has maintained full coverage of the covered benefits since the date of inception.

Please list below all policies providing coverage for health care services currently issued or in force fully insuring this MEWA. Additional pages may be attached to this form if necessary.

NAIC Number	Name of Insurance Company	Policy Number	Effective Date

Dated at _____ this _____ day of _____, 20_____

_____ _____ _____
(Signature of Trustee, Officer or Director of MEWA) (Printed Name) (Title)

Subscribed before me this _____ day of _____, 20_____

(Notary Seal) _____
(Notary Public)

My commission expires: _____

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

POLICY VERIFICATION
MULTIPLE EMPLOYER WELFARE ARRANGEMENT

The following information is to be completed by an officer or director of the insurer, health maintenance organization, health services plan, or dental or optometric services plan issuing coverage to a multiple employer welfare arrangement:

_____
NAIC Number

_____
Full and Exact Name of Insurance Company

_____
Mailing Address

I hereby certify that the above named insurer, health maintenance organization, health services plan, or dental or optometric services plan has issued a contract of insurance on a direct basis as defined in the Commissions Rules Governing Multiple Employer Welfare Arrangements (14 VAC 5-410-10 et seq.) to the following Multiple Employer Welfare Arrangement:

_____
Name of Multiple Employer Welfare Arrangement

I further certify that the Company I represent is licensed and in good standing to transact the business of insurance in the Commonwealth of Virginia.

Please list below all policies providing coverage for health care services currently issued or in force fully insuring this MEWA. Additional pages may be attached to this form if necessary.

Policy Number	Effective Date	Expiration Date

Dated at _____ this _____ day of _____, 20_____

_____ _____
(Signature of Company Officer or Director) (Title)

Subscribed before me this _____ day of _____, 20_____

(Notary Seal) _____
(Notary Public)

My commission expires: _____

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

DEMOGRAPHIC INFORMATION
MULTIPLE EMPLOYER WELFARE ARRANGEMENT ("MEWA")

_____
MEWA Identification Number (Assigned By Bureau)

_____
Full and Exact Name of MEWA

MEWA CONTACT INFORMATION

MEWA Address: _____
_____
_____

MEWA Contact Telephone Number: _____

MEWA Contact Name: _____

Email Address: _____

THIRD PARTY ADMINISTRATOR (TPA) INFORMATION

TPA Name: _____

TPA Address: _____
_____
_____

TPA Contact Telephone Number: _____

TPA Contact Name: _____

REGULATORY CONTACT INFORMATION

Regulatory Address: _____
_____
_____

Regulatory Contact Telephone Number: _____

Regulatory Contact Name: _____

INSURANCE CONTACT INFORMATION

Insurer Name and NAIC Number: _____

Insurer Address: _____
_____
_____

Insurer Contact Telephone Number: _____

Insurer Contact Name: _____

ARTICLE 3.

Jurisdiction Over Providers of Health Care Service.

§ 38.2-3420. Authority and jurisdiction of Commission; exception.

A. Except as provided in subsection B, any person offering or providing coverage in the Commonwealth for health care services, whether the coverage is by direct payment, reimbursement, or otherwise, shall be presumed to be subject to the jurisdiction of the Commission to the extent the person is not regulated by another agency of the Commonwealth, any subdivision of the Commonwealth, or the federal government relating to the offering or providing of coverage for health care services.

B. Neither the provisions of this section nor any other provision of this title shall be construed to affect or apply to a multiple employer welfare arrangement (MEWA) comprised only of banks together with their plan-sponsoring organization, and their respective employees, provided the multiple employer welfare arrangement (i) is duly licensed as a MEWA by the insurance regulatory agency of a state contiguous to the Commonwealth, (ii) files with the Commission a copy of its certificate of authority or other proper license from the contiguous state, (iii) has no more than 500 Virginia residents who are employees of its member banks enrolled in or receiving accident and sickness benefits as insureds, members, enrollees, or subscribers of the MEWA, and (iv) is subject to solvency examination authority and reserve adequacy requirements determined by sound actuarial principles by such domiciliary contiguous state. For purposes of this subsection:

"Bank" means an institution that has or is eligible for insurance of deposits by the Federal Deposit Insurance Corporation.

"Plan-sponsoring organization" means an association that (i) sponsors a MEWA comprised only of banks; (ii) has been actively in existence for at least five years; (iii) has been formed and maintained in good faith for purposes other than obtaining insurance; (iv) does not condition membership in the association on any health status-related factor relating to an individual, including an employee of an employer or a dependent of an employee; (v) makes health insurance coverage offered through the association available to all members regardless of any health status-related factor relating to such members or individuals eligible for coverage through a member; (vi) does not make health insurance coverage offered through the association available other than in connection with a member of the association; and (vii) meets such additional requirements as may be imposed under the laws of the Commonwealth, and includes any subsidiary of such an association. (1983, c. 417, § 38.1-43.7; 1986, c. 562; 1990, c. 477; 2004, c. 236; 2011, c. 329; 2012, c. 589.)

§ 38.2-3421. How to show jurisdiction of other state agency or federal government.
A person may show that it is regulated by another agency of this Commonwealth, any subdivision of this Commonwealth, or the federal government by providing to the Commission the appropriate certificate, license or other document issued by the other governmental agency that permits or qualifies it to provide those services set forth in § 38.2-3420. Provided, however, in lieu of such certificate, license or other documentation, the Commission may determine that such person is not subject to the jurisdiction of the Commission if the Commission is otherwise satisfied that such person is regulated by another agency of this Commonwealth, any subdivision of this Commonwealth or the federal government relating to the offering or providing of coverage for health care services. Any person who has provided such certificate, license, or other document shall immediately notify the Commission if such person ceases to be regulated by the governmental agency as stated in the certificate, license, or other document provided to the Commission. Any other person who is otherwise determined by the Commission not to be subject to the jurisdiction of the Commission shall also notify the Commission of any change in its circumstances which may materially affect such determination of the Commission. (1983, c. 417, § 38.1-43.8; 1986, c. 562; 1990, c. 477.)

§ 38.2-3422. Examination.
Any person that fails to show that it is regulated by another agency of this Commonwealth, any subdivision of this Commonwealth, or the federal government as provided by § 38.2-3421 shall be subject to an examination by the Commission to determine the organization and solvency of the person and whether or not the person is in compliance with the applicable provisions of this title. (1983, c. 417, § 38.1-43.9; 1986, c. 562; 1990, c. 477.)

§ 38.2-3423. When subject to this title.
Any person that fails to show that it is regulated by another agency of this Commonwealth, any subdivision of this Commonwealth, or the federal government as provided by § 38.2-3421 shall be subject to all appropriate provisions of this title regarding the operation of its business. (1983, c. 417, § 38.1-43.10; 1986, c. 562; 1990, c. 477.)

§ 38.2-3424. Disclosure of extent and elements of coverage.
A. Any agent, agency, administrator, or other person that advertises, sells, transacts, or administers coverage for health care services in this Commonwealth where that coverage is provided by any person subject to the provisions of this article shall inform any purchaser, prospective purchaser, or covered person of (i) the lack of insurance or other coverage, unless that coverage is fully insured or otherwise fully covered by an admitted life insurer, accident and sickness insurer, health services plan, dental or optometric services plan, or health maintenance organization and (ii) if the coverage is fully insured or otherwise fully covered, the terms, coverages, limits, and deductibles including the amount of "stop-loss" insurance in effect.

B. No person, including an administrator, insurer, agent, or affiliate of an insurer shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in any newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio station or television station, or in any other way, any advertisement, announcement, or statement soliciting membership, offering coverage, or evidencing coverage in

any health care plan or arrangement which is subject to regulation by the Commission under this article and not otherwise regulated by this title, unless such advertisement, announcement, or statement contains the following disclosure:

Your plan of coverage is not protected under the Virginia Life, Accident and Sickness Insurance Guaranty Association Act. Therefore:

1. In the event of an insolvency of your plan, you may be unable to collect any amount you are owed for covered claims, regardless of the coverage provided under the plan;

2. The payment of premiums into your plan does not guarantee payment of claims under your plan, regardless of the coverage provided under the plan.

When such disclosure is contained in print, it shall be no smaller than boldfaced ten-point type. (1983, c. 417, § 38.1-43.11; 1986, c. 562; 1990, c. 477.)

§ 38.2-3424.1. Applicability.
Nothing contained in this article shall be construed to apply to any plan for providing health insurance coverage established pursuant to § 2.2-2818. (1990, c. 477.)

VIRGINIA ADMINISTRATIVE CODE
CHAPTER 410.

RULES GOVERNING MULTIPLE EMPLOYER WELFARE ARRANGEMENTS.

14 VAC 5-410-10. Purpose.

The purpose of this chapter is to set forth rules to carry out the provisions of Article 3 (§ 38.2-3420 et seq.) of Chapter 34 of Title 38.2 of the Code of Virginia so as to establish reasonable standards for the licensing and operation of multiple employer welfare arrangements in the Commonwealth of Virginia.

14 VAC 5-410-20. Applicability and scope.

A. This chapter shall apply to all multiple employer welfare arrangements offering or providing coverage in this Commonwealth if any of the following conditions is met:

1. The multiple employer welfare arrangement is domiciled in Virginia;

2. At least one employer whose principal office or headquarters is located in Virginia provides health care benefits to his employees through the multiple employer welfare arrangement, regardless of the plan's place of domicile; or

3. At least one employee who is employed in Virginia and who has been initially enrolled in the plan in Virginia is being provided health care benefits through the multiple employer welfare arrangement, regardless of the plan's place of domicile or the location of the employer's principal office or headquarters.

B. Multiple employer welfare arrangements shall be subject to all of the provisions of Title 38.2 of the Code of Virginia to the extent that such provisions are applicable to multiple employer welfare arrangements in accordance with § 38.2-3421 of the Code of Virginia.

14 VAC 5-410-30. Definitions.

As used in this chapter:
"Commission" means the State Corporation Commission.

"Contribution" means the amount paid or payable by the employer or employee for services provided through the multiple employer welfare arrangement.

"Direct basis" means that the liability of the insurer, health maintenance organization, health services plan, or dental or optometric services plan runs directly to the insured employee or certificate holder.

"Domicile" means the situs of the trust through which the multiple employer welfare arrangement is established, the plan's place of incorporation or, if not set up through a trust or incorporated, the location of the plan's headquarters.

"Fully insured" means all of the covered benefits are (i) insured on a direct basis by an insurance company licensed and in good standing to transact the business of insurance in Virginia pursuant to Title 38.2 of the Code of Virginia or (ii) arranged for or provided on a direct basis by (a) a health services plan licensed and in good standing in Virginia pursuant to Chapter 42 (§ 38.2-4200 et seq.) of Title 38.2 of the Code of Virginia, (b) a health maintenance organization licensed and in good standing in Virginia pursuant to Chapter 43 (§ 38.2-4300 et seq.) of Title 38.2 of the Code of Virginia, (c) a dental or optometric services plan licensed and in good standing in Virginia pursuant to Chapter 45 (§ 38.2-4500 et seq.) of Title 38.2 of the Code of Virginia, or (d) any combination thereof. The existence of contracts of reinsurance will not be considered in determining whether a plan is "fully insured."

"Good standing" means the license of any (i) company to transact the business of insurance in the Commonwealth of Virginia pursuant to Title 38.2 of the Code of Virginia, (ii) health services plan licensed pursuant to Chapter 42 (§ 38.2-4200 et seq.) of Title 38.2 of the Code of Virginia, (iii) health maintenance organization licensed pursuant to Chapter 43 (§ 38.2-4300 et seq.) of Title 38.2 of the Code of Virginia, or (iv) dental or optometric services plan licensed pursuant to Chapter 45 (§ 38.2-4500 et seq.) of Title 38.2 of the Code of Virginia where the license is not suspended or revoked, or the company, health services plan, health maintenance organization, or dental or optometric services plan is not precluded by order of the Commission from soliciting, negotiating, procuring or effecting contracts of insurance.

"Health care services" means services which are furnished to an individual for the purpose of preventing, alleviating, or healing human illness, injury, or physical disability. Such terminology may include services for optometric or dental care.

"Member" means an employer which participates in a multiple employer welfare arrangement.

"Multiple employer welfare arrangement" means any plan or arrangement which is established or maintained for the purpose of offering or providing coverage for health care services, whether such coverage is by direct payment, reimbursement, or otherwise, to employees of two or more employers, or to their beneficiaries except that such term does not include any such plan or other arrangement which is established or maintained:

1. Under or pursuant to one or more agreements which the Secretary of the United States Department of Labor finds to be collective bargaining agreements, or

2. By a rural electric cooperative.

For purposes of the definition of multiple employer welfare arrangement:

a. Two or more trades or businesses, whether or not incorporated, shall be deemed a single employer if such trades or businesses are within the same control group;

b. The term "control group" means a group of trades or businesses under common control;

c. The determination of whether a trade or business is under "common control" with another trade or business shall be determined under regulations of the Secretary of the United States Department of Labor applying principles similar to the principles applied in determining whether employees of two or more trades or businesses are treated as employed by a single employer under section 4001(b) of the Employee Retirement Income Security Act, (29 USCS § 1301(b)), except that, for purposes of this subdivision, common control shall not be based on an interest of less than 25%; and

d. The term "rural electric cooperative" means:

(1) Any organization which is exempt from tax under section 501(a) of the Internal Revenue Code of 1986 (26 USC § 501(a)) and which is engaged primarily in providing electric service on a mutual or cooperative basis, and

(2) Any organization described in paragraph (4) or (6) of section 501(c) of the Internal Revenue Code of 1986 (26 USC § 501(c)(4) or (6)) which is exempt from tax under section 501(a) of such Code (26 USC § 501(a)) and at least 80% of the members of which are organizations described in subdivision (1).

14 VAC 5-410-40. Licensing and filing requirements.

A. A multiple employer welfare arrangement that is not fully insured as defined in this chapter shall not operate in this Commonwealth without first meeting the criteria and becoming

appropriately licensed as an insurance company, health maintenance organization, health services plan, or a dental or optometric services plan pursuant to Title 38.2 of the Code of Virginia.

B. A fully insured multiple employer welfare arrangement shall not operate in this Commonwealth without first filing with the Commission:

1. The names, addresses, and biographical summaries of the plan's trustees, officers, directors or other members of the plan's governing body.

2. The names, addresses, and qualifications of individuals responsible for the conduct of the plan's affairs, including any third-party administrators.

3. The names, addresses, and qualifications of persons who will solicit, negotiate, procure, or effect applications for coverage with the plan.

4. The names and addresses of employers participating in the plan.

5. Proof of coverage showing that the plan is fully insured by an insurer, health maintenance organization, health services plan, or dental or optometric services plan as required by the definition of "fully insured" in 14 VAC 5-410-30 of this chapter. Proof of coverage shall be submitted on a form prescribed by the Commission and shall include but not be limited to (i) a copy of the policy insuring the plan; (ii) confirmation from the insurer, health maintenance organization, health services plan, or a dental or optometric services plan that coverage is in force; and (iii) a statement indicating the length of time coverage has been in force.

6. Any other information the Commission may require including but not limited to information pertaining to the adequacy of the plan's level of reserves and contributions.

C. 1. If a multiple employer welfare arrangement changes coverage or does not remain fully insured as the term is defined in 14 VAC 5-410-30 of this chapter, the plan shall notify the Commission at least 30 days prior to the effective date of any change or reduction in coverage.

2. Any multiple employer welfare arrangement which ceases to remain fully insured shall, at least 30 days prior to the effective date of coverage termination, (i) notify the Commission of a replacement policy in accordance with subdivision B 5 of this section, or (ii) apply for a license as an insurer, health maintenance organization, health services plan, or a dental or optometric services plan and be subject to all applicable provisions of Title 38.2 of the Code of Virginia. Such plan shall not be required to cease operations or discontinue benefits to existing members during this 30-day period. However, such plan shall not solicit, negotiate, procure, or effect coverage for new enrollments other than for dependents of employees already enrolled during this 30-day period unless (i) the plan has been licensed as required by this chapter, (ii) the plan becomes fully insured as the term is defined in 14 VAC 5-410-30 of this chapter and has provided the Commission with proof of coverage as

required by subdivision B 5 of this section, or (iii) the plan is granted an extension by the Commission for good cause shown. Nothing contained in this section shall prevent the Commission from proceeding with an action in accordance with the provisions of 14 VAC 5-410-60 of this chapter.

3. Any insurer, health maintenance organization, health services plan, or dental or optometric services plan providing coverage to a multiple employer welfare arrangement shall notify the Commission and the multiple employer welfare arrangement of any change or reduction in coverage at least 45 days prior to the effective date of such change or reduction in coverage.

4. Any insurer, health maintenance organization, health services plan, or dental or optometric services plan failing to provide notice to the Commission as required by subdivision 3 of this subsection shall be required to continue coverage to the multiple employer welfare arrangement for an additional 45 days after notice of cancellation is provided to the Commission.

D. In addition to the filing requirements stated in subsection B of this section, each fully insured multiple employer welfare arrangement shall file on or before March 1 of each year (i) proof of coverage as set forth in subdivision B 5 of this section and (ii) notice of any changes in information as filed with the Commission.

E. Any multiple employer welfare arrangement offering or providing coverage in this Commonwealth shall be subject to examination by the Commission in accordance with § 38.2-3422 of the Code of Virginia.

F. Notwithstanding any other provision of this chapter, any multiple employer health care plans licensed and operating, or whose license application is pending with the Commission on the effective date of this chapter and subsequently approved by the Commission may continue to operate as a multiple employer health care plan in the Commonwealth of Virginia, pursuant to the Commission's Rules Governing Multiple Employer Health Care Plans, for a period not to exceed three years after the effective date of this chapter.

14 VAC 5-410-50. Licensing of persons soliciting, negotiating, procuring, or effecting applications for coverage.

A. No person shall solicit, negotiate, procure, or effect applications for coverage or member enrollments, and no multiple employer welfare arrangement, insurer, health maintenance organization, nonstock health services plan, or nonstock dental or optometric services plan shall knowingly permit a person to solicit, negotiate, procure, or effect applications for coverage or member enrollments, in this Commonwealth for a multiple employer welfare arrangement whether or not the plan is licensed in this Commonwealth without first obtaining a license as a life and health agent, and an appointment, if such appointment is required, in a manner and in a form prescribed by the Commission pursuant to Chapter 18 (§ 38.2-1800 et seq.) of Title 38.2 of the Code of Virginia.

B. Any person who solicits, negotiates, procures, or effects applications or member enrollments in this Commonwealth for coverage under a multiple employer welfare arrangement shall be subject to all appropriate provisions of Title 38.2 as set forth in Chapter 2 (§ 38.2-200 et seq.), 3 (§ 38.2-300 et seq.), 5 (§ 38.2-500 et seq.), 6 (§ 38.2-600 et seq.), and 18 (§ 38.2-1800 et seq.) of the Code of Virginia regarding the conduct of his business.

C. Salaried officers or employees of any employer which provides coverage through a multiple employer welfare arrangement shall not be required to be licensed under this section provided that the principal duties and responsibilities of such officers and employees do not include soliciting, negotiating, procuring, or effecting applications for coverage or member enrollments for the plan.

14 VAC 5-410-60. Violations.

Any violation of this chapter shall be punished as provided for in § 38.2-218 of the Code of Virginia and any applicable law of this Commonwealth. The provisions of §§ 38.2-219 through 38.2-222 of the Code of Virginia shall also apply to any multiple employer welfare arrangement that fails to comply with the provisions set forth in this chapter.

14 VAC 5-410-70. Service of process.

Suits, actions, and proceedings may be begun against any multiple employer welfare arrangement providing coverage in this Commonwealth by serving process on any trustee, director, officer, or agent of the plan, or, if none can be found, on the clerk of the Commission. If any multiple employer welfare arrangement that is not fully insured provides coverage in this Commonwealth without obtaining a license as required by 14 VAC 5-410-40 of this chapter, it shall be deemed to have thereby appointed the Clerk of the Commission its attorney for service of process. Service of process shall be made as provided for in Article 1 (§ 38.2-800 et seq.) of Chapter 8 of Title 38.2.

14 VAC 5-410-80. Severability.

If any provision of this chapter or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the chapter and the application of such provision to other persons or circumstances shall not be affected thereby.