

# One Hundred Sixth Legislature - Second Session - 2020

## Introducer's Statement of Intent

### LB1014

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**Chairperson: Senator Matt Williams**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: February 04, 2020**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The purpose of LB 1014 is to amend the Multiemployer Welfare Arrangement (“MEWA”) Act to allow self-employed individuals who are members of associations to participate in a multiemployer welfare arrangement in Nebraska.

As a result of the United States Department of Labor adopting the Association Health Plan (“AHP”) rule in 2018, self-employed individuals who were members of associations could participate in group health insurance plans. Pursuant to the AHP rule, the Nebraska Department of Insurance authorized such a plan for self-insured farmers sponsored by Land O’Lakes, Inc., a farmer-owned cooperative, which was approved in 2018 and available to self-employed farmers members of agricultural cooperatives in 2019.

However, in 2019, a federal court invalidated the federal AHP rule. While the plan was able to remain in effect until the end of 2019, the Nebraska Department of Insurance has no independent state statutory authority to approve a MEWA for self-employed individuals so the cooperative farmer health plan could not be offered to Nebraska farmers in 2020.

LB 1014, creates the statutory authority for the Nebraska Department of Insurance to authorize and regulate group health insurance plans that allow self-employed individuals to participate in a multiemployer healthcare arrangement under Nebraska law. The provisions of LB1014 provide that such arrangements for self-employed individuals be ERISA and ACA (Affordable Care Act) compliant and includes the consumer protections, solvency requirements, stop loss insurance requirements and other insurance safeguards consistent with Nebraska law.

**Principal Introducer:** \_\_\_\_\_

Senator Brett Lindstrom