

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 459**

**Representative Henne**

**Cosponsors: Representatives Hambley, Becker, Romanchuk, Seitz, Kick, Hood**

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**A BILL**

To amend section 1739.02 and to enact section 1  
4123.354 of the Revised Code to allow groups of 2  
employers to be granted status as a self- 3  
insuring employer for purposes of the Workers' 4  
Compensation Law. 5

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 1739.02 be amended and section 6  
4123.354 of the Revised Code be enacted to read as follows: 7

**Sec. 1739.02.** (A) The following groups that have been 8  
organized and maintained in good faith for a continuous period 9  
of five years or more for purposes other than obtaining 10  
insurance may establish, maintain, or operate a group self- 11  
insurance program under a multiple employer welfare arrangement 12  
that is chartered and created in this state under sections 13  
1739.01 to 1739.22 of the Revised Code: 14

(1) A chamber of commerce; 15

(2) A trade association; 16

(3) An industry association; 17

(4) A professional association;	18
(5) A voluntary employee beneficiary association that is exempt from taxation by the internal revenue service under section 501(c) (9) of the Internal Revenue Code of 1986, as amended;	19 20 21 22
(6) A business league that is exempt from taxation by the internal revenue service under section 501(c) (6) of the Internal Revenue Code of 1986, as amended;	23 24 25
(7) Any other association that the superintendent of insurance may define by rule.	26 27
(B) Except as provided in section 9.833 and sections 1739.01 to 1739.22 of the Revised Code, no multiple employer welfare arrangement or other entity by which two or more employers jointly participate in a common employee welfare benefit plan shall operate a group self-insurance program in this state after four months after April 9, 1993.	28 29 30 31 32 33
(C) Sections 1739.01 to 1739.22 of the Revised Code do not apply to any entity that establishes, maintains, or operates a fully insured program.	34 35 36
(D) No person shall establish, operate, or maintain a multiple employer welfare arrangement providing benefits through a group self-insurance program in this state unless the multiple employer welfare arrangement has a valid certificate of authority from the superintendent of insurance.	37 38 39 40 41
<u>(E) This chapter shall not apply to self-insuring groups for purposes of workers' compensation as described in section 4123.354 of the Revised Code.</u>	42 43 44
<u>Sec. 4123.354. (A) Groups of employers may be granted</u>	45

status as a self-insuring employer under divisions (B) and (C) 46  
of section 4123.35 of the Revised Code; however, the following 47  
shall not apply to groups of employers who wish to self-insure: 48

(1) The factors specified in divisions (B)(1) and (C) of 49  
section 4123.35 of the Revised Code with respect to determining 50  
a prospective self-insuring employer's ability to meet all of 51  
the obligations imposed by section 4123.35 of the Revised Code; 52

(2) The specific requirements applicable to public 53  
employers in division (B)(2) of section 4123.35 of the Revised 54  
Code. 55

(B) The administrator of workers' compensation shall adopt 56  
rules necessary to implement this section, including rules to do 57  
all of the following: 58

(1) Establish the criteria that the administrator will use 59  
to determine whether a group wishing to be granted status as a 60  
self-insuring employer is of sufficient financial and 61  
administrative ability to assure that all obligations under 62  
section 4123.35 of the Revised Code are promptly met; 63

(2) Establish requirements that an employer must meet to 64  
join a self-insuring group; 65

(3) Establish procedures for, and determine the liability 66  
of, an employer who transfers coverage between the state 67  
insurance fund and a self-insuring group. 68

(C) The administrator shall not require that an employer 69  
be a self-insuring employer or able to qualify as a self- 70  
insuring employer individually to join a self-insuring group. 71

**Section 2.** That existing section 1739.02 of the Revised 72  
Code is hereby repealed. 73