## As Introduced

132nd General Assembly Regular Session 2017-2018

H. B. No. 459

**Representative Henne** 

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

## A BILL

То	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 19 exempt from taxation by the internal revenue service under 20 section 501(c)(9) of the Internal Revenue Code of 1986, as 21 amended: 22 (6) A business league that is exempt from taxation by the 23 internal revenue service under section 501(c)(6) of the Internal 24 Revenue Code of 1986, as amended; 25 (7) Any other association that the superintendent of 26 insurance may define by rule. 27 (B) Except as provided in section 9.833 and sections 28 1739.01 to 1739.22 of the Revised Code, no multiple employer 29 welfare arrangement or other entity by which two or more 30 employers jointly participate in a common employee welfare 31 benefit plan shall operate a group self-insurance program in 32 this state after four months after April 9, 1993. 33 (C) Sections 1739.01 to 1739.22 of the Revised Code do not 34 apply to any entity that establishes, maintains, or operates a 35 fully insured program. 36 (D) No person shall establish, operate, or maintain a 37 multiple employer welfare arrangement providing benefits through 38 a group self-insurance program in this state unless the multiple 39

employer welfare arrangement has a valid certificate of40authority from the superintendent of insurance.41(E) This chapter shall not apply to self-insuring groups42for purposes of workers' compensation as described in section43

4123.354 of the Revised Code.

Sec. 4123.354. (A) Groups of employers may be granted

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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
<u>Code.</u>	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	
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