



Association Health Plan Advisory Practice

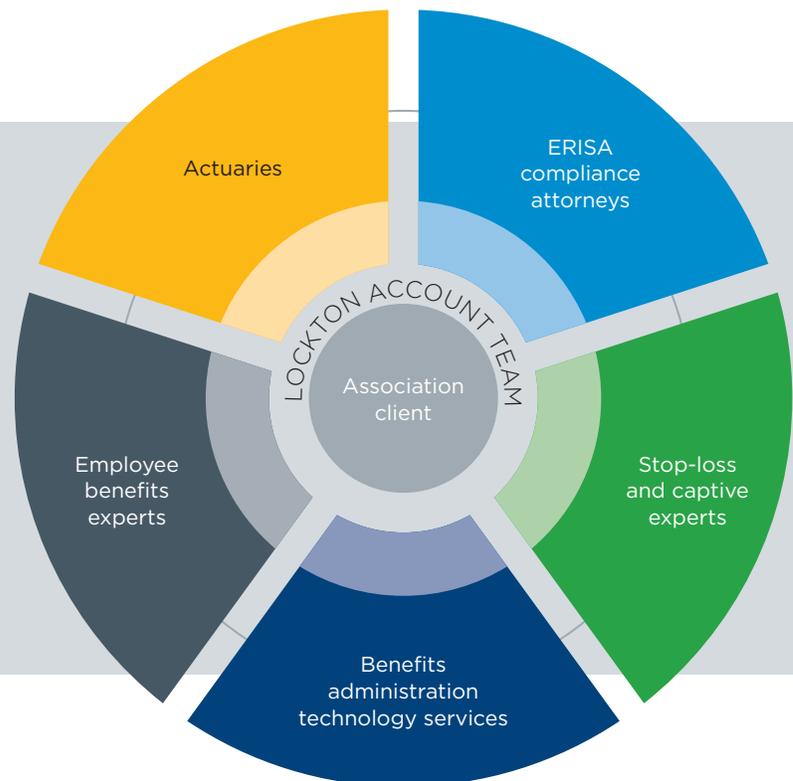
Providing clear direction

Recently finalized rules under the Employee Retirement Income Security Act of 1974 (ERISA) may have positive impacts for associations and those looking to form associations primarily for the purpose of providing health insurance to the associations' members. Lockton can help you evaluate opportunities arising from these rules that could result in more affordable health plan options for your members.

Our Association Health Plan Advisory Practice has expertise in assessing potential health insurance coverage options that are available to associations in the wake of recently finalized Department of Labor rules for association-based health insurance.

The rules:

- Allow more fully insured association-based health plans to be underwritten as single large groups.
- Permit employers, consultants or others to form associations for the primary purpose of supplying health insurance to members.



Lockton's integrated approach can assist associations in navigating this new landscape.

What are an association's options?

Under prior guidance, it was difficult for some association health plans to be underwritten as single groups, particularly if they included large and small employers. Most states prohibit associations from *self-insuring* their health plans offered to members, at least without substantial oversight.

New association health plan rules

1.

Expand ERISA's definition of "employer" to allow the association health plan to be underwritten as a single large group. This allows associations to avoid many costly benefits mandates currently imposed by the Affordable Care Act on small-group insurance.

2.

Allow consultants and others to form associations primarily for the purpose of providing health insurance to members. However, the association or group must have at least one other substantial business purpose (i.e., the association or group could stand on its own if it were not providing benefits).

Advisory services offered

Lockton's Association Health Plan Advisory Practice helps associations navigate responses to these new rules, including:

- Maintaining a favorable risk profile.
- Installing administration platforms for enrollment, premiums, etc.
- Implementing carrier, network and reinsurance options, including captive-based reinsurance, as appropriate.
- Designing plan choices.
- Offering other benefits.
- Offering wellness and mobile app services.

