

From: [Robert Leonard](#)
To: [E-OHPSCAM-1Revisions.EBSA](#)
Subject: Comments on Revisions to M-1 Form
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I am an attorney who represents three MEWAs sponsored by employer associations. The MEWAs provide medical, dental, and life insurance benefits to employees, and their dependents, of employers adopting the plans. The boards of directors of the plan sponsor associations have at least a majority of the directors who are persons who participate in the plan as an employer or a covered employee. The employer and employee contributions to fund plan benefits are held in a trust that conforms with ERISA section 403. The plans also purchase stop loss coverage.

One of the proposed changes to the Form M-1 will impose a significant continuing reporting requirement on the MEWA plans that is overly burdensome and unnecessary. The change involves the requirement to file a new Form M-1 registration whenever there is a material change in the information reported in Part II of the Form M-1. This requirement does not pose a problem for most of the custodial and financial information reported under Part II, but it does for item numbers 5a and 6a.

Item number 5a requires a report of the name and address of each member or the board, officer, trustee or custodian of the MEWA. One of the plans I represent has 13 members on its board of directors. The other two have 6 - 8 members. Each plan also has multiple trustees, with the largest number being 5. As I stated above, the majority of board members and trustees must be plan participants; and, in some cases, all the board members and trustees are plan participants. With this many board members and trustees, it is inevitable that one or more trustees or board members will resign and be replaced between the annual M-1 reports. Having to file a new M-1 every time that happens is overly burdensome and unnecessary. The resignation and replacement of one or two board members or trustees will not change the fact that the board or the trust is continually controlled by persons who participate in the plan.

Item number 6a creates a serious problem for one of the plans I represent. The plan covers an entire state and employs local insurance agents in each city or town where the plan is marketed. The annual reporting requirement under 6a of all of these agents will be a significant burden in itself. Requiring a new M-1 report each time an agent stops marketing the plan or when a new agent is added to market the plan may require the plan to submit M-1 reports monthly. Some relief from this requirement is needed for a MEWA that uses multiple independent agents to market the plan under the supervision of the plan sponsor or a consultant employed by the plan sponsor.

Please consider the potential impact of the Material Change requirement and the unnecessary Form M-1 filing requirement burden it will create for legitimate MEWAs sponsored by employer associations.

[Robert H. \(Bob\) Leonard](#)
[Prehoda, Leonard & Edwards, LLC](#)
[P. O. Box 789, Laramie, WY 82073](#)
[\(307\) 742-7896 Fax \(307\) 742-9799](#)

