
U.S. Department of Labor (DOL): Employee Benefits Security

Administration (EBSA),

Office of Policy and Research (OPR)

Contract 2 Deliverable 5.2: Analysis of Form M-1 Data for Filing Years

2010-2013

Contract Number: DOL119332497

September 23, 2014

Executive Summary

This report analyzes the Form M-1 filing population for filing years 2010 through 2013, which consists of filings from administrators of Multiple Employer Welfare Arrangements (MEWAs) and Certain Entities Claiming Exception (ECEs). MEWAs are employee benefit plans that provide one or more employee welfare benefits to employees of two or more employers that are not part of a collective bargaining agreement, and ECEs provide employee benefits based on collective bargaining agreements.

The goals of this analysis are to:

1. Examine how key attributes of the Form M-1 filing population have changed over time,
2. Analyze additional information found on the Form 5500 for this same population, and
3. Provide information regarding insurance providers who serve MEWAs and ECEs.

This analysis is based on 2,081 M-1 filings for filing years 2010-2013 that were submitted between January 1, 2011 and June 30, 2014, representing 1,007 unique filers. The primary findings include:

- The Form M-1 underwent significant changes in structure and content in 2012, which was associated with differences in attributes of the Form M-1 filing population, such as the number of times a filer submitted a filing and the frequency in type of filing submitted.
- The number of unique filers per filing year has remained constant over time at around 400, while the number of filings increased in 2012 primarily due to extensions filed.
- Filers explicitly reported their entity type for the first time in 2012. In that year, 92.5% of filers identified as Plan MEWAs, 4.7% as Non-Plan MEWAs, and 2.8% as ECEs. The distribution of filers was very similar in 2013.
- Beginning in 2012, filers also identified expansion into new states. In 2012, 35 filings identified an expansion to a new state, while in 2013, 46 filers indicated expansion into a new state.
- Filers were also asked for the first time in 2012 to report if an actuary has reviewed the MEWA or ECE's actuarial soundness. 23% of filers reported they had undergone an actuarial review, 74% of filers reported they had a liability policy for administrators, while 67% stated they had a liability policy for fiduciaries.
- Across all states and territories, the majority of MEWAs or ECEs reported being fully-insured or purchasing stop loss coverage if they are self-insured.
- The states with the largest numbers of MEWAs and ECEs are California, Florida, Georgia, New York, Texas, and Washington.
- Nearly 50% of Form M-1 filers also filed Form 5500 during Form M-1 filing years 2010-2013.¹
- Anthem Blue Cross Blue Shield and United Healthcare Group covered the largest share of MEWAs and ECEs for those that were fully insured and purchased stop loss coverage. Anthem Blue Cross Blue Shield insures 26% of fully-insured filers.

¹ Due to differences in filing requirements and deadlines between Form M-1 and Form 5500, a large number of 2013 Form M-1 filings did not match to a Form 5500. This is likely to change as 2013 Form 5500 filings are submitted.

Table of Contents

EXECUTIVE SUMMARY	I
TABLE OF CONTENTS	II
LIST OF TABLES	III
LIST OF FIGURES	III
FORM M-1, MULTIPLE EMPLOYER WELFARE ARRANGEMENTS AND CERTAIN ENTITIES CLAIMING EXCEPTIONS	1
<i>Form M-1 Filers</i>	1
<i>Filing Exemptions</i>	1
<i>Filing Timeline</i>	2
<i>Contents of Form M-1</i>	2
<i>Revisions to Form M-1 in 2012</i>	3
ANALYSIS OF FORM M-1 FILINGS	5
<i>Overview of Form M-1 Filing Population</i>	5
<i>Form M-1 Filers</i>	8
<i>Form M-1 and Form 5500 Filers</i>	14
<i>ERISA Compliance</i>	19
<i>Actuarial Opinions and Fiduciary Liability</i>	21
<i>Insurance Providers</i>	23
CONCLUSIONS	27
APPENDIX A: 2013 FORM M-1	28
APPENDIX B: FORM M-1 DATA DESCRIPTION	31
APPENDIX C: 2012 STATE LEVEL ANALYSIS	33

List of Tables

TABLE 1: COMPARISON OF FUNDING MECHANISMS ON FORM M-1 AND FORM 5500 FOR 2012 FORM M-1 AND FORM 5500 FILERS.....	17
TABLE 2: TOP INSURERS FOR FULLY INSURED MEWAS/ECES BY NAME.....	24
TABLE 3: TOP INSURERS FOR FULLY INSURED MEWAS/ECES BY EIN.....	25
TABLE 4: TOP INSURERS FOR MEWAS/ECES WITH STOP LOSS COVERAGE BY NAME.....	25
TABLE 5: TOP INSURERS FOR MEWAS/ECES WITH STOP LOSS COVERAGE BY EIN.....	26
TABLE 6: FILING METHOD, DATABASE AND TABLE NAMES, AND NUMBER OF DATA FIELDS FOR FILING YEARS 2010-2011	31
TABLE 7: DATABASE AND TABLE NAMES AND NUMBER OF FIELDS FOR FILING YEARS 2012-2013.....	32
TABLE 8: NUMBER AND TYPES OF MEWAS/ECES THAT OPERATE IN EACH STATE IN 2012.....	33
TABLE 9: NUMBER AND TYPES OF MEWAS/ECES WITH 20% OR MORE OF THEIR BUSINESS IN EACH STATE IN 2012	34
TABLE 10: NUMBER OF MEWAS/ECES THAT IDENTIFIED AS LICENSED INSURERS, FULLY INSURED, SELF-INSURED, AND PURCHASED STOP-LOSS COVERAGE BY STATE IN 2012	35

List of Figures

FIGURE 1: DISTRIBUTION OF UNIQUE NUMBER OF FILERS BY FILING YEAR.....	5
FIGURE 2: NUMBER OF FILINGS BY FILING METHOD FOR FILING YEARS 2010-2013.....	6
FIGURE 3: DISTRIBUTION OF TYPES OF FILINGS BY STATISTICAL YEAR.....	7
FIGURE 4: DISTRIBUTION OF NUMBER OF FILINGS BY A MEWA/ECE PER STATISTICAL YEAR.....	8
FIGURE 5: DISTRIBUTION OF FILING ENTITY TYPE FOR FILING YEARS 2012 AND 2013.....	9
FIGURE 6: ESTIMATED DISTRIBUTION OF FILING ENTITY TYPE FOR FILING YEARS 2010 AND 2011.....	10
FIGURE 7: AVERAGE PARTICIPANTS PER UNIQUE MEWA/ECE BY STATISTICAL YEAR.....	10
FIGURE 8: BOX PLOT OF MEWA/ECE PARTICIPANTS BY STATISTICAL YEAR.....	11
FIGURE 9: DISTRIBUTION OF MEWA AND ECE EXPANSIONS INTO NEW STATES BY STATISTICAL YEAR.....	12
FIGURE 10: FUNDING MECHANISMS FOR 2012 FORM M-1 FILERS.....	13
FIGURE 11: PERCENT OF FORM M-1 FILINGS THAT ALSO FILE FORM 5500 FILINGS BY STATISTICAL YEAR.....	14
FIGURE 12: PERCENTAGE OF FORM 5500 FILERS THAT OFFER EACH TYPE OF WELFARE BENEFIT FOR ALL FILING YEARS.....	15
FIGURE 13: DISTRIBUTION OF PLAN ASSETS FOR STATISTICAL YEAR 2012	16
FIGURE 14: FORM 5500 FILING ENTITY TYPES FOR FORM M-1 AND FORM 5500 FILERS FOR ALL FILING YEARS..	18
FIGURE 15: PERCENTAGE OF MEWAS/ECES INVOLVED LITIGATION PROCEEDINGS FOR ALL FILING YEARS.....	20
FIGURE 16: SELF-REPORTED COMPLIANCE OF MEWAS/ECES WITH PART 7 PROVISIONS FOR ALL FILING YEARS.	20
FIGURE 17: COMPLIANCE OF MEWAS/ECES WITH ERISA SECTION 403 FOR 2012 AND 2013 FILERS.....	21
FIGURE 18: ACTUARIAL OPINIONS FOR 2012-2013 FILERS.....	22
FIGURE 19: FIDUCIARY LIABILITY POLICIES FOR 2012-2013 FILERS.....	22
FIGURE 20: INSURERS FOR FULLY-INSURED MEWAS AND ECES FOR ALL FILING YEARS.....	23
FIGURE 21: INSURERS FOR MEWAS OR ECES THAT PURCHASED STOP LOSS COVERAGE FOR ALL FILING YEARS...23	23



Form M-1, Multiple Employer Welfare Arrangements and Certain Entities Claiming Exceptions

Form M-1 Filers

A Multiple Employer Welfare Arrangement (MEWA) is defined by the U.S. Department of Labor (DOL) as an employee welfare benefit plan or other arrangement that is established or maintained for the purpose of offering welfare benefits to the employees of two or more employers (including one or more self-employed individuals), or to their beneficiaries.^{2,3} The Health Insurance Portability and Accountability Act (HIPAA) led to the creation of the Form M-1 which allows for MEWAs and ECEs to report their compliance with the provisions of ERISA Part 7.^{4,5} Specifically, administrators of three types of entities are responsible for submitting the Form M-1:

- **Plan MEWAs** are Employee Retirement Income Security Act (ERISA)-covered employee welfare benefit plans that provide health/medical benefits and other welfare benefits to the employees of two or more employers.
- **Non-Plan MEWAs** also provide welfare benefits to the employees of two or more employers, but are not subject to ERISA. Individual employer-provided plans that purchase coverage from a Non-Plan MEWA may still be subject to ERISA. Non-Plan MEWAs are often group purchasing arrangements or purchasing pools. Both DOL and state regulators have jurisdiction over all MEWAs as ERISA only provides partial Federal preemption for MEWAs over state laws. Thus, Non-Plan MEWAs are subject to a higher degree of state regulation than Plan MEWAs because they are not subject to ERISA. Also, Plan MEWAs that are not fully-insured are subject to a higher degree of state regulation than fully-insured Plan MEWAs.
- **ECEs** are plans (or similar arrangements) that are not considered to be MEWAs because they exist in affiliation with collective bargaining agreements.

Filing Exemptions

Certain groups of MEWAs and ECEs are exempt from filing the Form M-1. This includes a MEWA or ECE that falls into one of the following categories:

- Is a licensed health insurance issuer in every state in which it operates,
- Only provides coverage to non-ERISA group health plans, such as governmental or church plans,
- Is a non-ERISA group health plan, or

² <http://www.dol.gov/ebsa/Publications/mewas.html>

³ Welfare benefits include medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment; or vacation benefits, apprenticeship or other training programs; or day care centers, scholarship funds, or prepaid legal services, or (B) any benefit described in section 302(c) of the Labor Management Relations Act, 1947 (other than pensions on retirement or death, and insurance to provide such pensions).

⁴ <http://www.dol.gov/ebsa/Publications/mewas.html>

⁵ <http://webapps.dol.gov/FederalRegister/HtmlDisplay.aspx?DocId=26692&AgencyId=8&DocumentType=2>



- Only provides benefits that are not subject to ERISA Part 7.⁶

Other reasons a MEWA or ECE would be exempt from filing the Form M-1 are that the entity only qualifies as a MEWA or ECE because one or more of the following conditions are true:

- The MEWA or ECE provides coverage to employees of two or more organizations that share a common control interest of 25 percent or more,
- The MEWA or ECE provides coverage to employees of two or more organizations due to a temporary change in control of the organizations, such as a merger or acquisition, or
- The MEWA or ECE provides coverage to individuals who are not employees, besides spouses and dependents, of the sponsor.⁷

Filing Timeline

The Form M-1 annual filing is due on March 1st of the following calendar year. Filers may request a deadline extension for up to 60 days after the original filing deadline. A Form M-1 that is filed in addition to the annual filing, due to a specific event, is not subject to the March 1 deadline; however it must be filed before or within 30 days of the event.

For all MEWAs/ECEs that are required to submit the Form M-1, DOL may levy financial penalties of up to \$1,100 a day for filers that do not submit a Form M-1, do not complete the Form M-1, and/or do not file in a timely manner.

Contents of Form M-1

The Form M-1 is divided into three sections. The first section, entitled “Purpose of Filing,” provides options for the MEWA/ECE administrator to select the type of filing (e.g. annual, origination, special, registration, amended, request for extension or final), filing entity (Plan MEWA, Non-Plan MEWA, or ECE), and the most recent date that the entity submitted a Form M-1.

The second section, entitled “Custodial and Financial Information,” contains information about individuals or organizations responsible for the management of the MEWA/ECE operations, legal services, and assets. In this section, the administrator provides the total number of participants it covers as well as details about the coverage that the MEWA/ECE provides by state, including the type of funding used.

The third section, entitled “Information for Compliance with Part 7 of ERISA” asks the filer to report whether or not it has been involved in any litigation or enforcement proceedings related to Part 7 of ERISA. There are a series of questions about each of the Part 7 provisions, regarding applicability and compliance of the provision. A complete copy of the 2013 Form M-1 is provided in Appendix A.

⁶ Benefits that are not subject to ERISA Part 7 include coverage only for accidents (including accidental death and dismemberment), disability income insurance, liability insurance (including general liability insurance and automobile liability insurance), coverage issued as a supplement to liability insurance, workers’ compensation or similar insurance, automobile medical payment insurance, credit-only insurance (for example, mortgage insurance), and coverage for on-site medical clinics.

⁷ Additionally, this number of individuals must be less than one percent of the MEWA or ECE’s total number of participants on the last day of the year of reporting or 60 days after a MEWA registration or ECE origination.



Revisions to Form M-1 in 2012

The Form M-1 underwent the following substantial changes that altered the filing requirements and asked for additional information from filers starting with 2012 filings. Electronic filings became mandatory and paper filings were eliminated. As of 2012, the following new information is now required of Form M-1 filers:

- Filers must identify their filing entity type as a Plan MEWA, Non-Plan MEWA, or ECE.
- Filers are required to provide identification information for the following:
 - agent for service of process or registered agent,⁸
 - board members, trustees, officers,
 - promoters,⁹
 - actuaries that provided service to the MEWA or ECE,
 - third party administrators (TPA),¹⁰
 - individuals or entities in charge of the MEWA or ECE's assets,
 - financial institutions that held the MEWA or ECE's assets,
 - any person or entity that has discretionary authority, control, or responsibility over the MEWA or ECE, and
 - any MEWAs or ECEs that merged.
- Filers report if assets under the possession of the MEWA or ECE are in compliance with ERISA Section 403, if they have been subject to actuarial review, and if they utilize fiduciary liability policies.

New filing requirements also introduced additional reasons to file. New rules require MEWAs to file a separate Form M-1, outside of the annual filing requirement, in the case of any registration events. A MEWA registration filing is required if

1. a MEWA is beginning to offer medical coverage for the first time,
2. merges with another MEWA,
3. expands its coverage services into a new state,
4. experiences an increase in its number of participants by 50% or more since the end of the previous calendar year, or
5. a material change occurs.¹¹

A MEWA must file the Form M-1 at least 30 days before it begins to provide coverage. For any other registration event, a MEWA must file within 30 days of the event. Before these filing requirements were enacted, in addition to the annual filing, filers were required to submit a filing within 90 days of an

⁸ This is a person appointed by the MEWA or ECE to receive legal notices on behalf of the MEWA or ECE.

⁹ Promoters are responsible for marketing the MEWA or ECE.

¹⁰ A TPA is a person or entity hired by the MEWA or ECE to handle claims processing, pay providers, and manage other responsibilities associated with insurance.

¹¹ A material change occurs if any information in the second section, entitled "Custodial and Financial Information," changes.



origination event. Origination events included a MEWA that began operating for the first time, experienced an increase in its number of participants by 50% or more since the end of the previous calendar year, or merged with another MEWA (except if the MEWAs involved in the merger had an origination event at least three years before the merger).

Similarly, new rules require an ECE to submit a Form M-1, outside of the annual filing requirement, in the case of ECE origination and special filing events. An ECE origination filing occurs if the ECE is beginning to offer medical coverage for the first time, merges with another ECE, or experiences an increase in its number of participants by 50% or more since the end of the previous calendar year. ECEs are only required to file for three years following an origination event; however, an ECE can be originated more than once. An ECE special filing occurs if the ECE begins offering coverage in a new state or experiences a material change. ECEs submit a Form M-1 for special events if they occur within three years of an origination event. ECE origination and special filings are submitted within 30 days of the event, except if the ECE is beginning to offer coverage for the first time. In that case, the origination filing should be submitted at least 30 days prior to offering coverage. Prior to 2012, filers could submit a 90-day origination filing if an ECE began operating for the first time, experienced an increase in its number of participants by 50% or more since the end of the previous calendar year, or merged with another ECE (except if the ECEs involved in the merger had an origination event at least three years before the merger).

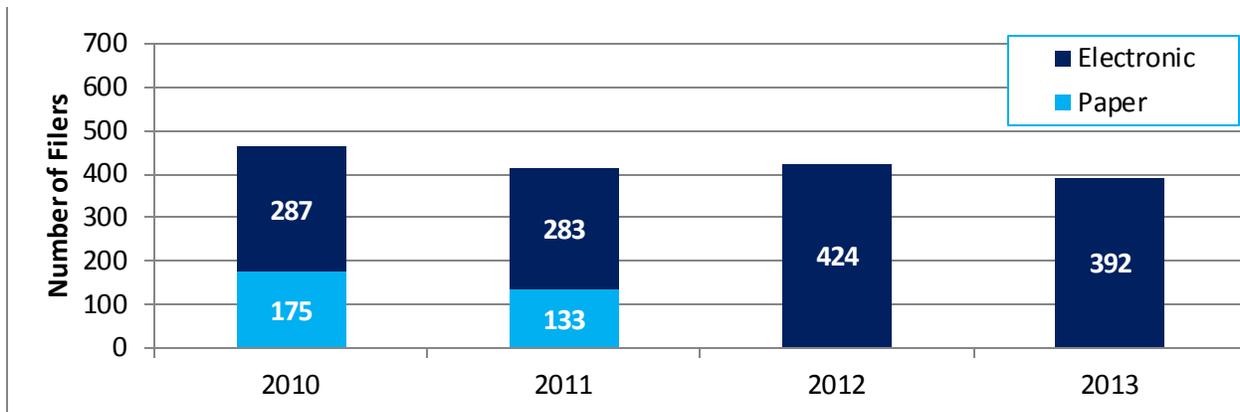


Analysis of Form M-1 Filings

Overview of Form M-1 Filing Population

Figure 1 describes the number of unique filers¹² in each filing year and method of filing that each filer utilized. Across the years, the size of the filer population remains steady.

Figure 1: Distribution of Unique Number of Filers by Filing Year



Source: Form M-1 filings for filing years 2010-2013 received as of June 2014.

Number of Form M-1 Filings

There were a total of 2,081 M-1 filings¹³ for filing years 2010-2013¹⁴, submitted between January 2011 and June 2014.¹⁵ Figure 2 displays the total number of filings, split by paper and electronic filings, for each filing year. The filing population in each year contains the total number of filings, in contrast to the number of filers. A MEWA or ECE may submit more than one Form M-1 filing in a filing year, resulting in this distinction. Beginning in 2012, paper filings were no longer accepted. Total filings drop in number from 2010 to 2011 and increase in 2012, with the introduction of the revised filing requirements. While the extension deadline is May 1st of the following calendar year, almost one-third of 2012 filings were received after the extension deadline. Assuming a similar trend for the 2013 filing population, the number of filings may increase with the addition of late filings submitted after May 1, 2014.

¹² In our analysis, we define a filer as a MEWA or an ECE.

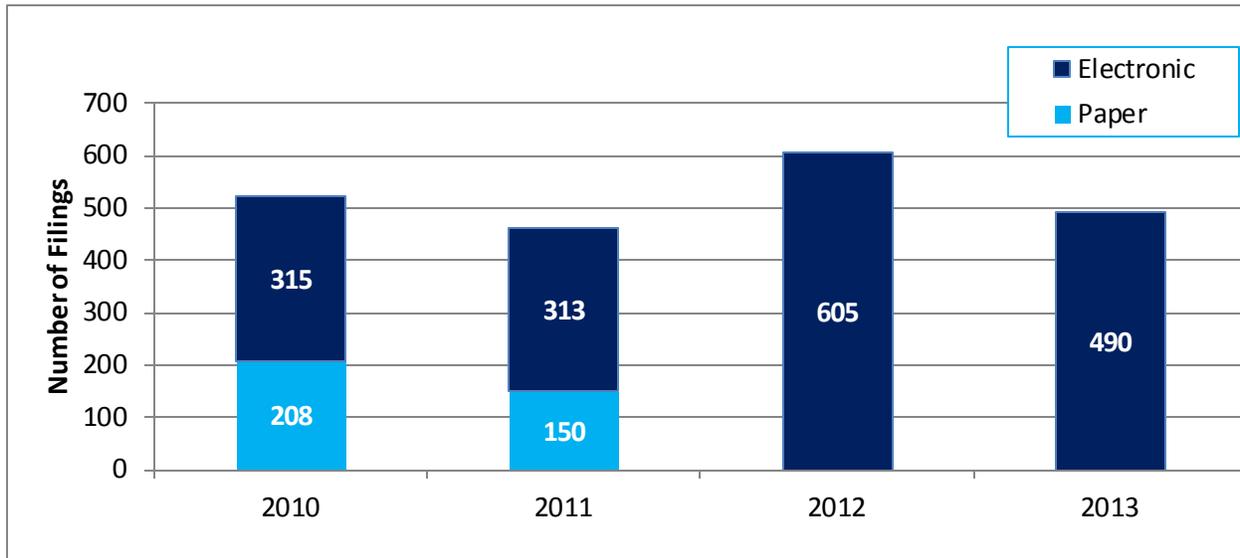
¹³ A filing is an individual Form M-1. A filer may submit more than one filing in a filing year.

¹⁴ Filing year is the year denoted on the Form M-1, and statistical year is defined as the year that the reporting period ended. In more than 90% of cases, filings have the same filing and statistical years.

¹⁵ This excludes test records, filings that were completed but not submitted, and filings that provided neither an Employer Identification Number (EIN) nor Plan Number (PN) from the data set of 2010-2013 filings.



Figure 2: Number of Filings by Filing Method for Filing Years 2010-2013



Source: Form M-1 filings for filing years 2010-2013 received as of June 2014.

Types of Filings

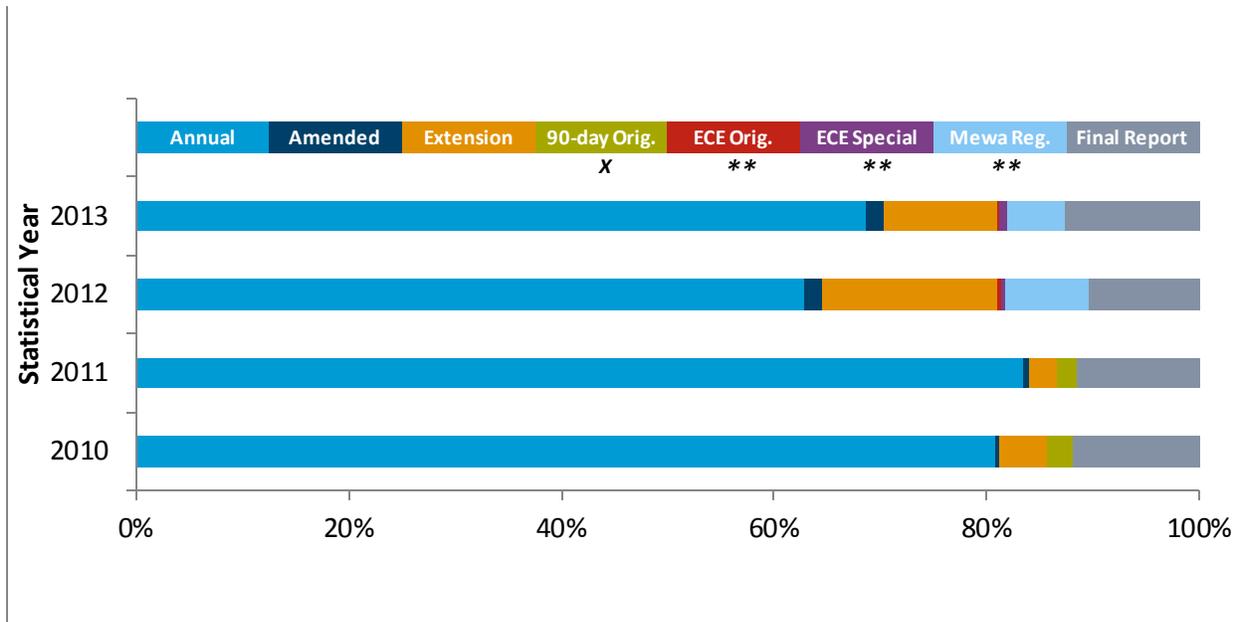
There are a number of reasons that compel a MEWA or ECE to file the Form M-1. Typically a filer will submit an annual report filing, which may be based on a calendar or fiscal year. Below is list of all eight types of filings and their definitions:

- **Annual:** an “annual report” is the annual filing made by all MEWAs by March 1 and for ECEs, the annual filing made by March 1 for the first three years after an origination.
- **Amended:** an amended filing is submitted to correct information from a previous filing or supply additional information. Prior to 2012, this was considered a “special filing.”
- **Extension:** an extension is given on a one-time basis and provides the filer 60 days beyond the deadline to complete and submit the Form. This extension form must include responses to the first section, as well as information about the administrator and sponsor in the second section. Prior to 2012, this was considered a “special filing.”
- **90-day Origination:** a filing submitted within 90 days of a MEWA or ECE origination, this category was eliminated in the 2012 Form M-1 revisions. Prior to 2012, this was considered a “special filing.”
- **ECE Origination:** a filing submitted 30 days before or after an origination event. This is a new filing type as of 2012.
- **ECE Special Filing:** a filing submitted within 30 days of a special event. This is a new filing type as of 2012.
- **MEWA Registration:** a filing submitted 30 days before or after a registration event. This is a new filing type as of 2012.
- **Final Report:** a final report filing indicates that the MEWA/ECE does not intend to file a Form M-1 in the following year.



Figure 3 displays the distribution of filing types by statistical year. The majority of filings over all of the years are annual reports. There is an increase in extension filings in 2012 compared to 2011 from 3% to 16%. This increase in extension filings is associated with the revisions to the 2012 Form M-1. In 2013, to date, extension filings declined to 11%. After 2011, the 90-day origination category was no longer listed on the form, thus it only applies to 2010 and 2011 filings.

Figure 3: Distribution of Types of Filings by Statistical Year



Note: “***” indicates that these are new filing categories from the 2012 revisions; “X” indicates this category was eliminated in 2012

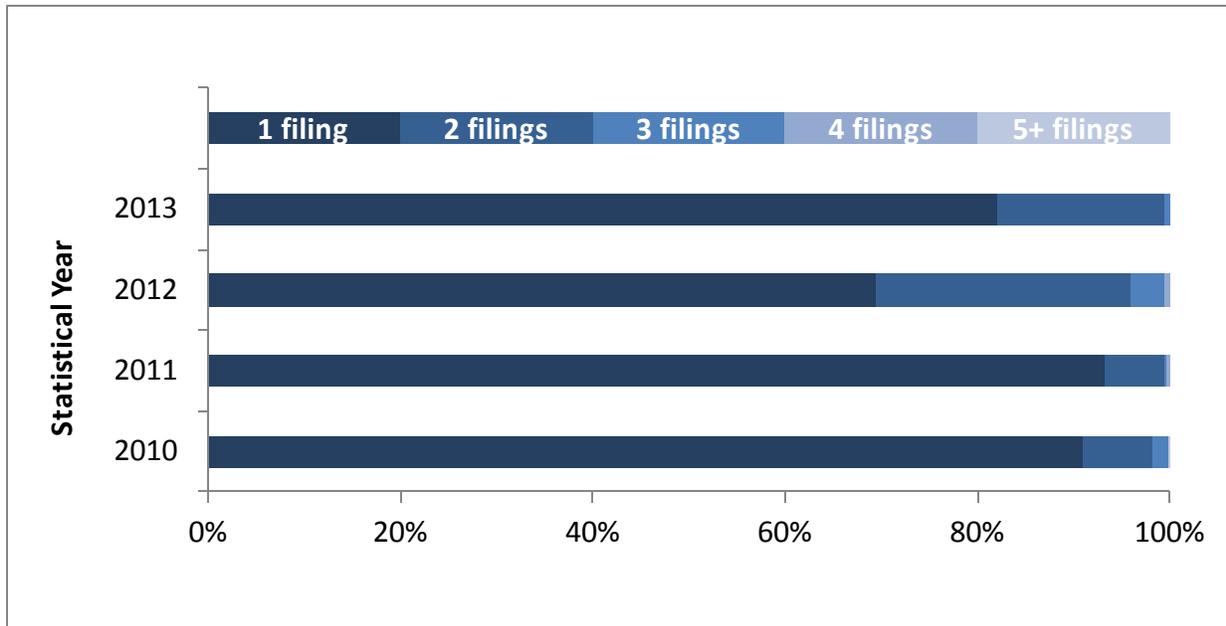
Source: Responses to Form M-1 Part I Questions A and B



Form M-1 Filers

Analysis within this section is focused on the population of unique MEWA and ECE filers. Figure 4 illustrates that most filers submit one filing per filing period, the annual report. The proportion of filers that filed two or more times rose in 2012 to 30%, compared to 7% in the previous year, but to date, 2013 shows a decline to less than 20%. In 2012, the increase in the rate of multiple filings per filer is associated with an increase in extension filings.

Figure 4: Distribution of Number of Filings by a MEWA/ECE per Statistical Year



Source: Form M-1 filings for filing years 2010-2013 received as of June 2014.

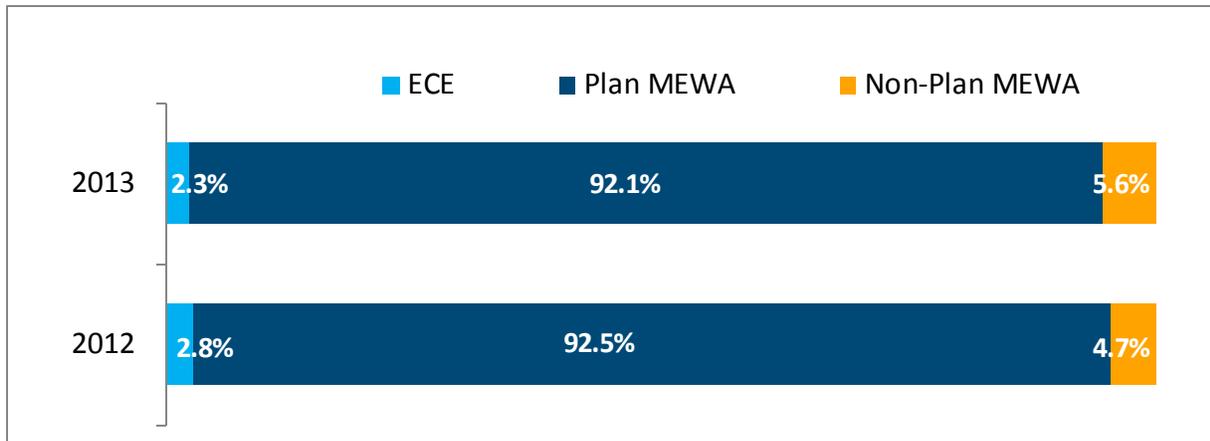
Longitudinally, the total number of unique Form M-1 filers over the four filing years is 1,007 filers including both MEWAs and ECEs. Approximately one-third of all filers submitted a single filing during the four-year filing period. Two-thirds of filers submitted Form M-1 in two filing years. Only one filer submitted filings in three of the four years, and three filers submitted filings in all four filing years.



Filing Entity Type

The three filing entity types are Plan MEWA, Non-Plan MEWA, and ECE, as defined in the previous section. Filers explicitly reported their entity type for the first time in 2012. Figure 5 displays the reported distribution of filing entities for 2012 and 2013 filers. Most filers (approximately 92%) for both years are Plan MEWAs.

Figure 5: Distribution of Filing Entity Type for Filing Years 2012 and 2013



Source: This figure is based on data from Form M-1 filers for filing years 2012-2013.

For filings submitted before entity type was explicitly reported (2010-2011), Summit used Form M-1 and Form 5500 (for filers who submit both the Form M-1 and Form 5500) data to infer the filing entity type of 2010 and 2011 filers. The following steps describe Summit’s methodology for assigning an entity type to filers:

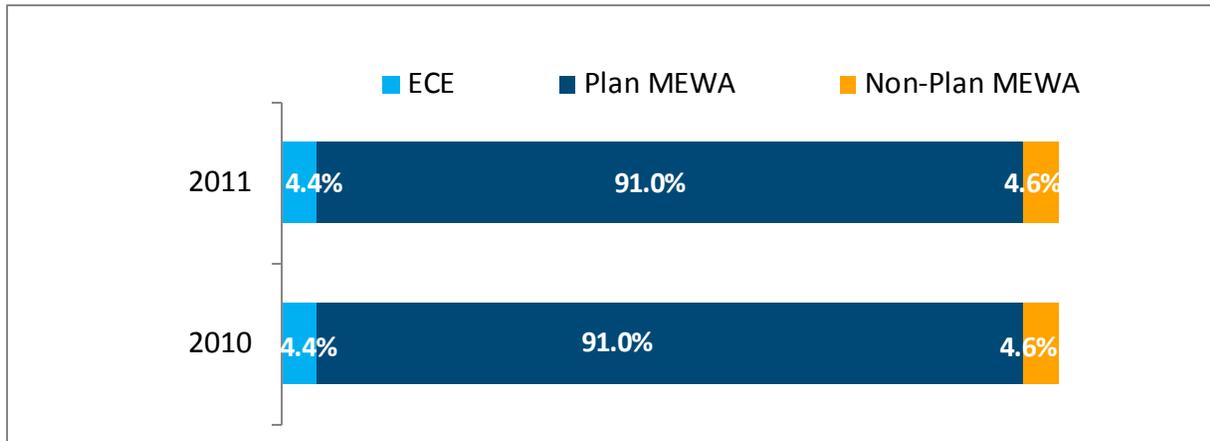
1. If a sponsor’s name included the words “union” or “local no.,” then Summit concluded the sponsor was a union¹⁶ and the filing entity was thus an ECE. For the portion of Form M-1 filers that also file a Form 5500, if a filer indicated that it was collective bargaining plan on its Form 5500 filing, then it was also categorized as an ECE.
2. Filers that provided a valid EIN and no Plan Number (PN) were designated as Non-Plan MEWAs. This logic is consistent with the fact that the majority of Non-Plan MEWAs in 2012 and 2013 filings only provided an EIN.
3. If a filer identified itself as a multiple-employer plan on the Form 5500 or provided a valid EIN or PN¹⁷ on the Form M-1, then it was designated as a Plan MEWA.

¹⁶ We excluded certain sponsors from this because if a sponsor’s name included the words “Credit Union” then it would not be considered a union.

¹⁷ A valid EIN was defined as an EIN with 9 digits and did not include EINs with “999999999” or “000000000.” A valid PN was defined as a PN with 3 digits and did not include PNs with “888” or “999”.



Figure 6: Estimated Distribution of Filing Entity Type for Filing Years 2010 and 2011



Source: This figure is based on data from MEWAs and ECEs that completed both Form M-1 and Form 5500.

The distribution for 2012 and 2013 filings is similar to the inferred distribution in 2010 and 2011 filings. The distribution of filing entities is likely to have remained relatively constant since the population size of Form M-1 filers does not significantly change during the period of analysis.

Participants

Each filer reports the total number of participants covered by the MEWA or ECE. In Figure 7 below, the average number of participants¹⁸ in a MEWA or ECE declines from 2010 to 2012, with a low point of 3,655 in 2012. In 2013, the average number of participants rose to 4,154.

Figure 7: Average Participants per unique MEWA/ECE by Statistical Year



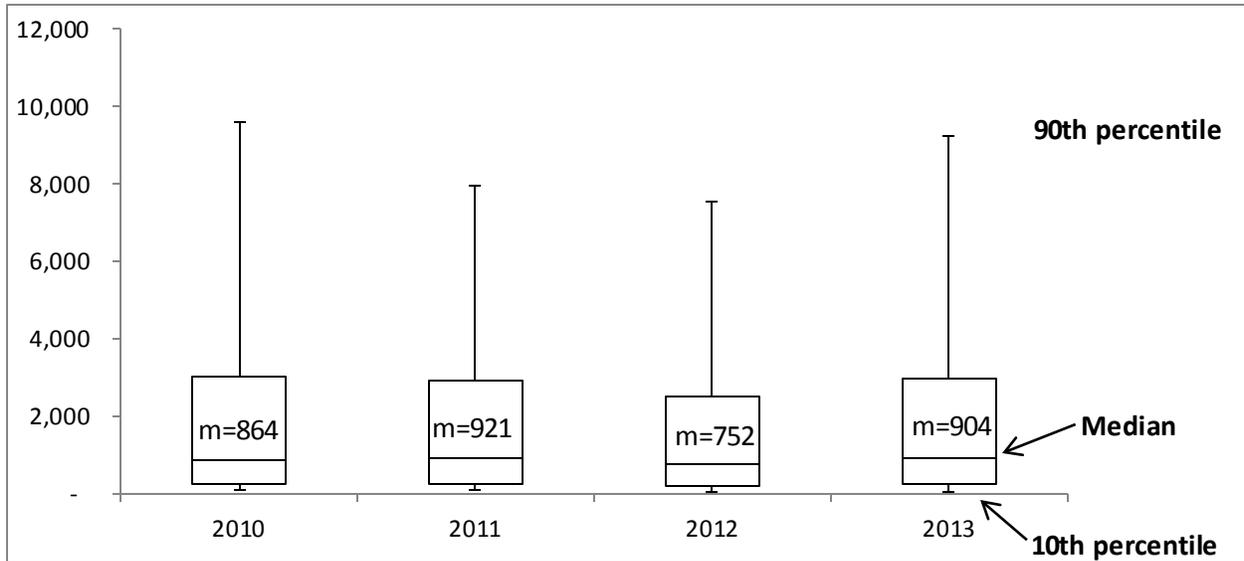
Note: Number of participants reported from most recent filing of MEWA/ECE in each statistical year.
 Source: Responses to Form M-1 Part II Question 19

¹⁸ According to Form M-1 instructions, participants include “former employees who are receiving group health continuation coverage benefits pursuant to Part 6 of ERISA and who are covered by the MEWA or ECE.” Dependents receiving coverage are not counted as participants.



Figure 8 displays additional information on the distribution of reported participants in a MEWA/ECE by statistical year. A decrease in the number of participants covered can be observed from 2010-2012.

Figure 8: Box plot of MEWA/ECE participants by statistical year



Note: Number of participants reported from most recent filing of MEWA/ECE in each statistical year.

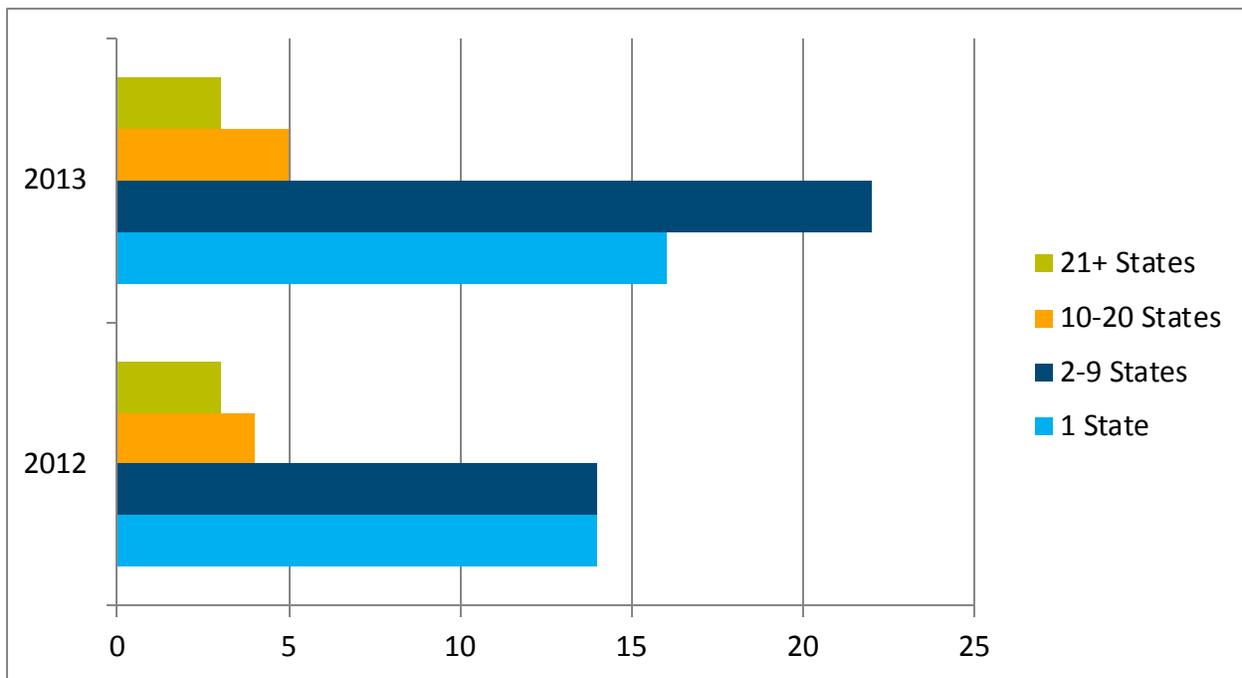
Source: Responses to Form M-1 Part II Question 19



Expansion to New States

Beginning with 2012 Form M-1 filings, filers also indicated whether or not each state listed on their filing had been included on a previous Form M-1 filing in order to track expansion of filers into new states. In 2012, 35 filers contained new states, and in 2013, 46 filers included new states. As noted above, this expansion to new states may be associated with the growth in average participants from 3,655 in 2012 to 4,154 in 2013. 11.6% of filers in 2013 indicated expansion into at least one new state compared to 8.6% in 2012.

Figure 9: Distribution of MEWA and ECE Expansions into New States by Statistical Year



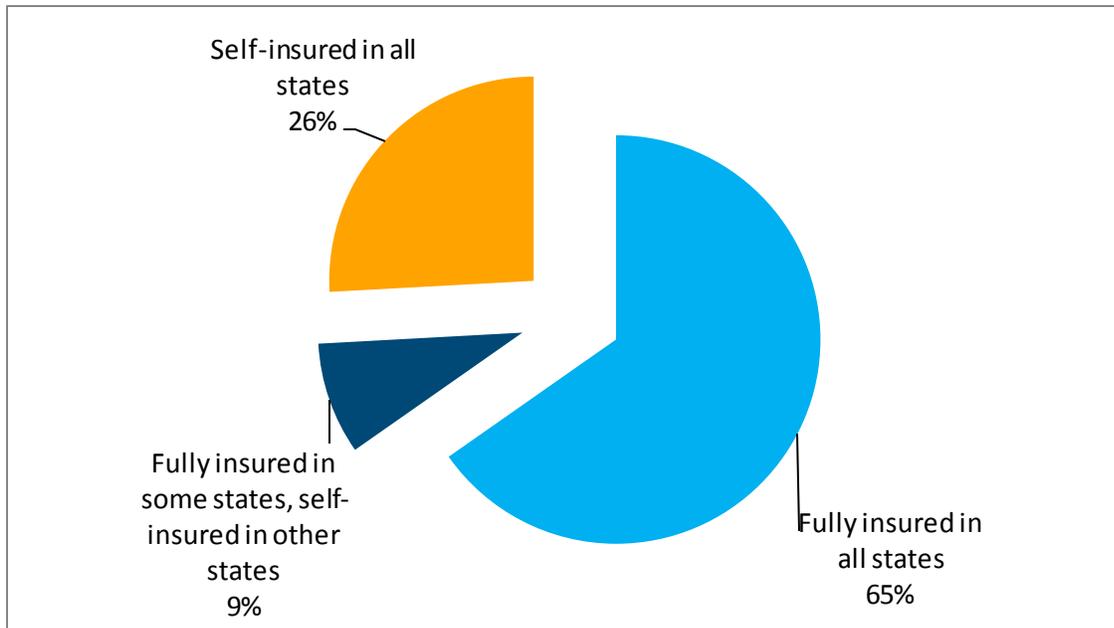
Source: This figure is based on data from Form M-1 filings for filing year 2012-2013.



Funding Mechanism

A MEWA or ECE that operates in multiple states may use different types of funding in each state, thus a MEWA could be fully insured in one state and be self-insured in another state. Figure 10 displays the distribution of MEWAs and ECEs that were fully insured or self-insured across the states in which they operate in 2012.

Figure 10: Funding Mechanisms for 2012 Form M-1 Filers



Source: This figure is based on data from Form M-1 filings for filing year 2012.

The states with the largest numbers of MEWAs are California, Florida, Georgia, New York, Texas, and Washington. There are more than 90 MEWAs operating in each of these states. The states with the smallest MEWA presence are Alaska, Hawaii, North Dakota, South Dakota, Vermont, and West Virginia. Each of these states has less than 40 active MEWAs or ECEs. The ECE population is very small or nonexistent across all states and territories. The states with the largest number of ECEs are California and New York, with eight and three ECEs, respectively. The US territories included in the list (Guam, Northern Mariana Islands, Puerto Rico, and the Virgin Islands) all have very small numbers of MEWAs, with five or less MEWAs operating in each territory. There are no ECEs in any of these territories. The states with the highest instances of MEWAs conducting at least 20% of their business in the state are California, Florida, New York, Oregon, Texas, and Washington, which is mostly consistent with the states that have the largest number of MEWAs.

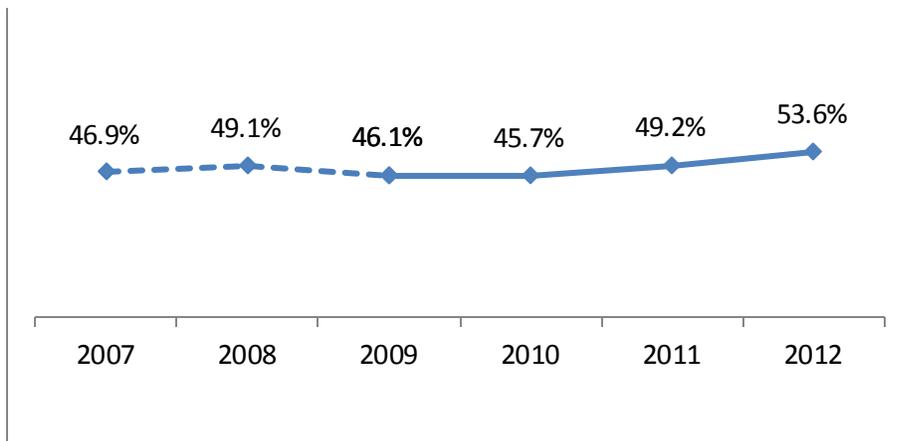
Further state-level detail including the number and types of MEWA/ECEs in each state, those with 20% or more of their business in a single state and identification as licensed insurers, fully insured or having purchased stop loss coverage is summarized in Appendix C.



Form M-1 and Form 5500 Filers

In 2013, Form 5500 filing requirements stated that all welfare plans¹⁹ subject to Form M-1 filing requirements also had to file the Form 5500. Regardless of plan size or type of funding, Form M-1 filers that file Form 5500 must now use the Form 5500 and cannot file using the Form 5500 short form.²⁰ Individual employers that participate in MEWAs or ECEs that file a Form 5500 are typically not responsible for filing a Form 5500. For those filers that submitted both Forms M-1 and 5500, Summit used their EIN and PN within the filing year to match Form M-1 filings to Form 5500 filings.^{21,22} The percentage of Form M-1 filings that matched to Form 5500 filings increased from 45.7% in 2010 to 53.6% in 2012 as seen in Figure 11 below. These rates are consistent with those from a previous analysis on 2007-2009 Form M-1 filing data.²³ This rate is expected to rise in 2013. Less than one percent of Form M-1 filers submitted Form 5500 short form, while the remainder submitted the Form 5500.

Figure 11: Percent of Form M-1 Filings that also file Form 5500 Filings by Statistical Year



Note: The dotted lines indicate that these percentages are from a previous analysis on Form M-1 data.
Source: This figure is based on data from MEWAs and ECEs that completed both Form M-1 and Form 5500.

¹⁹ Non-Plan MEWAs are not required to file the Form 5500, thus the match rate between Form M-1 and Form 5500 will always be less than 100 percent.

²⁰ <http://www.dol.gov/ebsa/Publications/mewas.html>

²¹ Summit matched Form M-1 filings to Form 5500 main form and short form filings. Due to different filing requirements for Form M-1 and Form 5500, 2013 Form 5500 filings are still being submitted, thus the match rate was not reported for 2013.

²² Form M-1 filings that did not provide an EIN could not be matched to Form 5500 filings and were excluded from all analysis results.

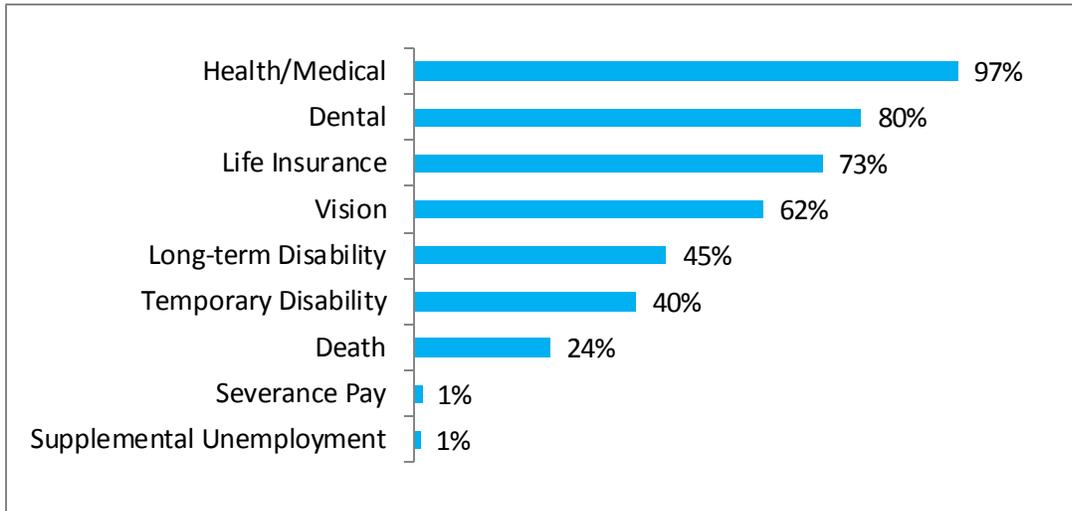
²³ A previous analysis on Form M-1 data was conducted by Deloitte and Advanced Analytical Consulting Group entitled, *An Analysis of 2007-2009 Filings of Form M-1, Report for Multiple Employer Welfare Arrangements (MEWAs) and Certain Entities Claiming Exception (ECEs)*.



Welfare Benefits

MEWAs and ECEs can offer an array of welfare benefits. Figure 12 displays the variety of benefits offered, as reported on Form 5500.

Figure 12: Percentage of Form 5500 Filers that offer each type of welfare benefit for all Filing Years



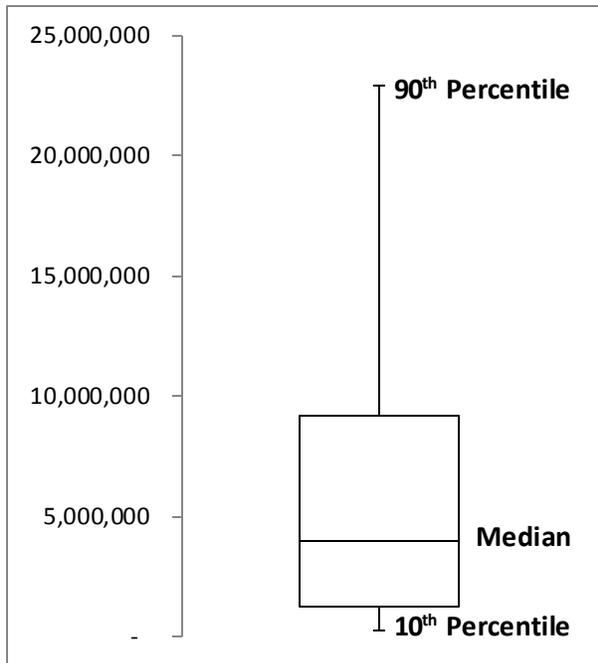
Source: Form 5500 Question 8b



Plan Assets

The average total value of plan assets for Form M-1 and Form 5500 filers in 2012 is \$10,183,535.²⁴ Figure 13 shows the distribution of plan assets. The median is \$3,965,649, the 10th percentile is \$245,073, and the 90th percentile level of assets is \$22,877,804, which suggests a wide range in the amount of assets held by MEWAs and ECEs.

Figure 13: Distribution of Plan Assets for Statistical Year 2012



Note: This figure is based on 118 plans with total assets greater than \$0 for statistical year 2012.
Source: Form 5500 Schedules H and I

²⁴ We provided data only on 2012 because 2013 Form 5500 submissions are still being submitted at the time of writing.



Funding Mechanism Comparison between Form M-1 and Form 5500

Table 1 compares the funding mechanisms that filers reported on Form M-1 and Form 5500.²⁵ On the Form M-1, funding information is provided at the state level. Summit aggregated all state-level funding information provided on Form M-1 for each filer²⁶ and compared it to Form 5500 information. On the Form 5500, funding information is provided at the plan level. The Form 5500 provides a list of four types of funding arrangements for a plan: insurance contract, code section 412(e)(3) insurance contracts, trust, and general assets of the sponsor.²⁷

Table 1: Comparison of Funding Mechanisms on Form M-1 and Form 5500 for 2012 Form M-1 and Form 5500 Filers

		Form 5500			Total
		Fully Insured	Mixed Insured	Self-Insured	
Form M-1	Fully Insured in All States	43% (67)	36% (56)	21% (33)	100% (156)
	Mixed Across All States ²⁸	30% (6)	55% (11)	15% (3)	100% (20)
	Self-Insured in All States	6% (3)	76% (37)	18% (9)	100% (49)

Note: The numbers in parentheses denote the number of Form M-1 filings.

Source: This table is based on data from MEWAs and ECEs that completed both Form M-1 and Form 5500 in 2012.

Funding information varies across categories for both Forms. For example, only 43% of filers who indicated they were fully insured on Form M-1 also indicated that they are fully insured on Form 5500. 76% of filers who are self-insured on the Form M-1 are mixed insured according to Form 5500. Mixed insured describes the reliance on both insurance contracts and plan assets to fund the plan. Each form asks for funding information in different ways, which helps explain the discrepancies between reported funding mechanisms on each Form. The Form M-1 specifically asks whether a filer is fully insured or has purchased stop loss coverage in each state where the MEWA or ECE operates. If the filer indicated that it is not fully insured, then Summit interpreted as the filer indicating it is self-insured; however the filer could have been mixed insured.

²⁵ If a plan indicated that it only used insurance contracts to fund the plan, we categorized the plan as fully insured. If a plan indicated that it used insurance contracts and a trust or plan assets to fund the plan, then we categorized the plan as mixed insured. If a plan used a trust or its assets to fund the plan, then we determined that it is self-insured.

²⁶ Form M-1 funding information was aggregated to the filer level using EIN and PN for comparison to Form 5500.

²⁷ Code section 412(e)(3) insurance contracts pertain to contracts that provide retirement benefits, thus were not included in the determination of which plans were fully insured, mixed insured, or self-insured.

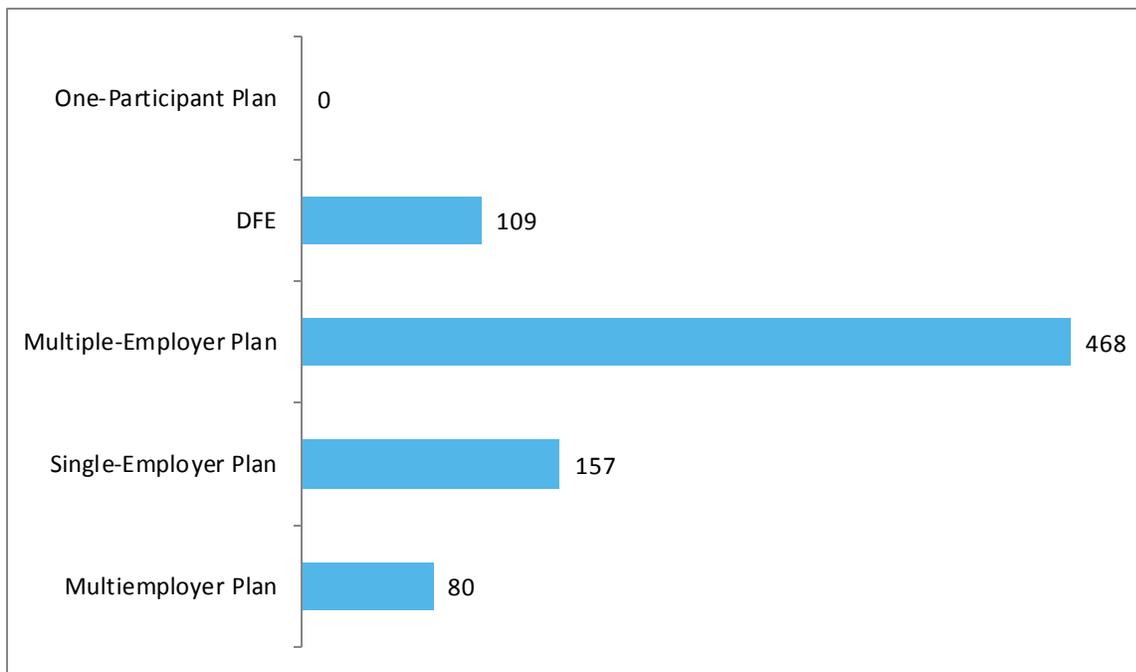
²⁸ Mixed across all states refers to filers that are fully insured in some states and self-insured in others.



Form 5500 Filing Entity Types for Form M-1 Filers

Filing entity types on the Form 5500 are different from those on Form M-1. On the Form 5500, there are four entity types listed: multiemployer²⁹, single-employer plan³⁰, multiple-employer³¹ plan, and direct filing entity (DFE)³². On the Form 5500 short form, there are three entity types listed: single employer plan, multiple-employer plan, and one-participant plan³³. Figure 14 below displays the distribution of entity types on Form 5500 filings submitted by Form M-1 filers. The most common entity type chosen was multiple-employer plan, followed by single-employer plan and DFE.

Figure 14: Form 5500 Filing Entity Types for Form M-1 and Form 5500 Filers for all Filing Years



Source: Form 5500 Part 1 Question A

²⁹ A multiemployer plan is a plan that is maintained by two or more employers and is governed according to a collective bargaining agreement.

³⁰ A single-employer plan is an employee benefit plan maintained by one employer or employee organization and is subject to ERISA.

³¹ A multiple-employer plan is a plan that is maintained by two or more employers, and does not qualify as a multiemployer plan.

³² A DFE is an entity that can file a Form 5500 on behalf of a group of plans. DFEs include certain trusts, accounts, and other investment arrangements.

³³ A one-participant plan is a type of pension benefit plan that covers an individual or an individual and their spouse that wholly own a business. A one-participant plan may also be used in a partnership and cover the partners or the partners and their spouses.



ERISA Compliance

A key purpose of Form M-1 is to measure compliance with ERISA Part 7 provisions which consists of the Health Insurance Portability and Accountability Act (HIPAA), Newborns' and Mothers' Health Protection Act (NMHPA), Women's Health and Cancer Rights Act (WHCRA), Mental Health Parity and Addiction Equity Act (MHPAEA), Genetic Information Nondiscrimination Act (GINA), Michelle's Law (ML), and Affordable Care Act (ACA). Each provision is defined as follows:

- **Health Insurance Portability and Accountability Act (HIPAA)** protects health insurance coverage for workers and their families when they change or lose their jobs and provides national standards for electronic health care transactions and national identifiers for providers, health insurance plans, and employers.
- **Newborns' and Mothers' Health Protection Act (NMHPA)** requires plans that offer maternity coverage to pay for at least a 48-hour hospital stay following childbirth (96-hour stay in the case of a caesarean section).
- **Women's Health and Cancer Rights Act (WHCRA)** provides protections for patients who elect breast reconstruction in connection with a mastectomy.
- **Mental Health Parity and Addiction Equity Act (MHPAEA)** ensures that annual or lifetime dollar limits on mental health and substance use disorder benefits be no lower than any such dollar limits for medical and surgical benefits offered by a group health plan or health insurance issuer offering coverage in connection with a group health plan.
- **Genetic Information Nondiscrimination Act (GINA)** prohibits group health plans and health insurers from denying coverage to a healthy individual or charging that person higher premiums based solely on a genetic predisposition to developing a disease in the future.
- **Michelle's Law (ML)** provides protections for dependent students who take a medically necessary leave of absence.
- **Affordable Care Act (ACA)** includes a number of provisions that introduced significant reforms to healthcare that affect coverage for dependents, preexisting conditions exclusions for minors, benefit limits, preventative care, and other areas.³⁴

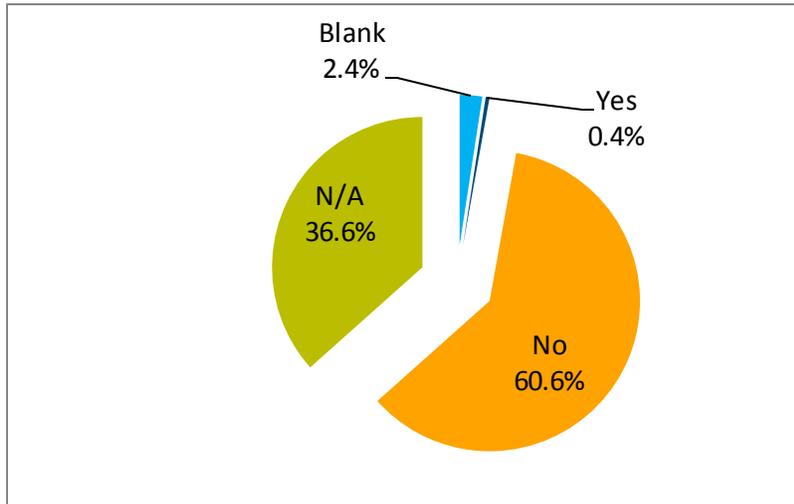
³⁴ <http://www.dol.gov/ebsa/aboutebsa/history.html>



ERISA Part 7 Litigation Proceedings

Filers are asked to report if they have been involved in any litigation or enforcement proceedings relating to any of the ERISA Part 7 provisions. In Figure 15, seven filers indicate involvement in litigation proceedings regarding ERISA Part 7.

Figure 15: Percentage of MEWAs/ECEs Involved Litigation Proceedings for all Filing Years

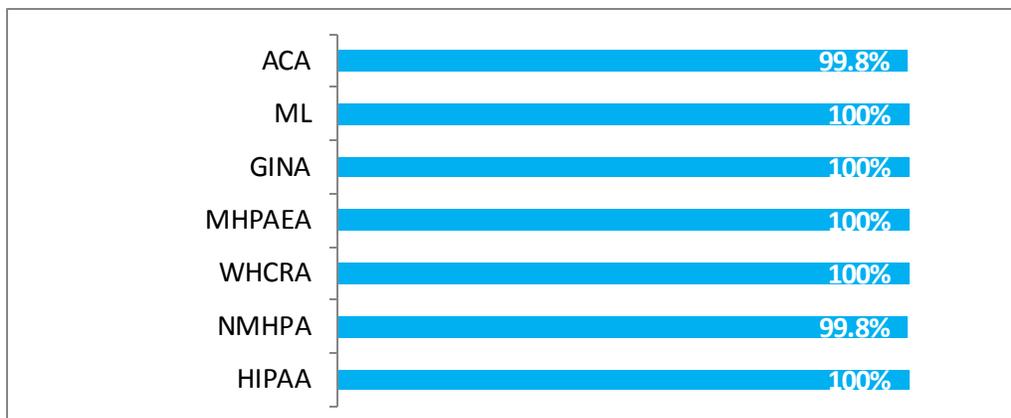


Source: Form M-1 Part III Question 20

ERISA Part 7 Health Provisions

The Form further asks filers to indicate if they are in compliance with each Part 7 provision. If a provision is not applicable to a filer then the filer may select “Not Applicable.” Figure 16 contains the percentage of filings where a filer indicated that the MEWA or ECE was in compliance with the Part 7 provision, excluding those that reported non-applicability or did not answer. For the entire period of analysis, the majority of filers that responded reported compliance with Part 7 of ERISA. Two filers reported non-compliance with the NMHPA and ACA.

Figure 16: Self-Reported Compliance of MEWAs/ECEs with Part 7 Provisions for all Filing Years



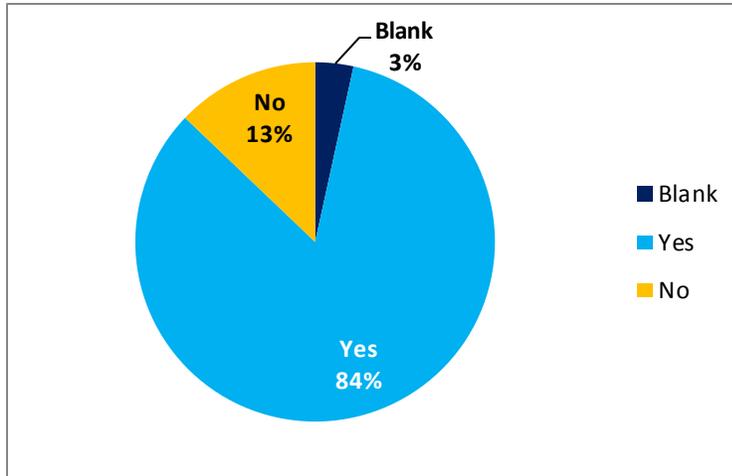
Source: Form M-1 Part III Question 21



Section 403 of ERISA

Starting in 2012, filers report if the assets in the MEWA or ECE's possession were maintained in a manner that is consistent with ERISA Section 403 and 29 CFR 2550.403a-1 and 2550.403b-1. This requires that the assets of the MEWA or ECE are held in a trust unless certain exemption requirements are met.³⁵ Figure 17 displays the answers to this question for 2012-2013 filers. 84% of filers report compliance with this ERISA provision.

Figure 17: Compliance of MEWAs/ECEs with ERISA Section 403 for 2012 and 2013 filers



Source: Form M-1 Part II Question 15

Actuarial Opinions and Fiduciary Liability

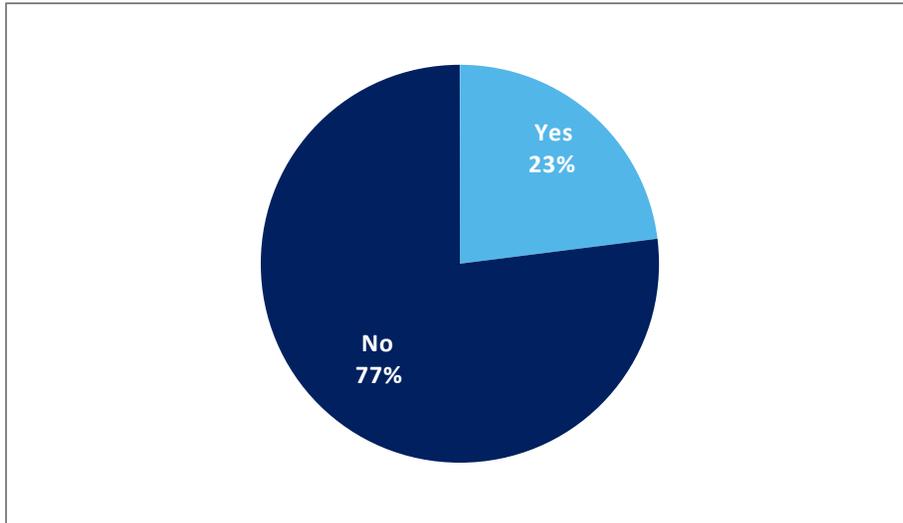
As part of the 2012 revisions, the second section of Form M-1 now asks filers to report if an actuary has reviewed the MEWA or ECE's actuarial soundness, such as its contribution rates. For 2012 and 2013 filers, 23% reported that they had undergone an actuarial review, while the majority reported no review or did not answer the question. The Form asks subsequent questions regarding fiduciary liability policies.

Figure 19 reports the usage of fiduciary liability policies. 74% of filers report that administrators, officers, directors, and employees of MEWAs or ECEs are covered by fiduciary liability policies. 67% of filings indicate that the fiduciaries are covered by fiduciary liability policies.

³⁵ <http://www.gpo.gov/fdsys/pkg/CFR-2012-title29-vol9/xml/CFR-2012-title29-vol9-part2550.xml>

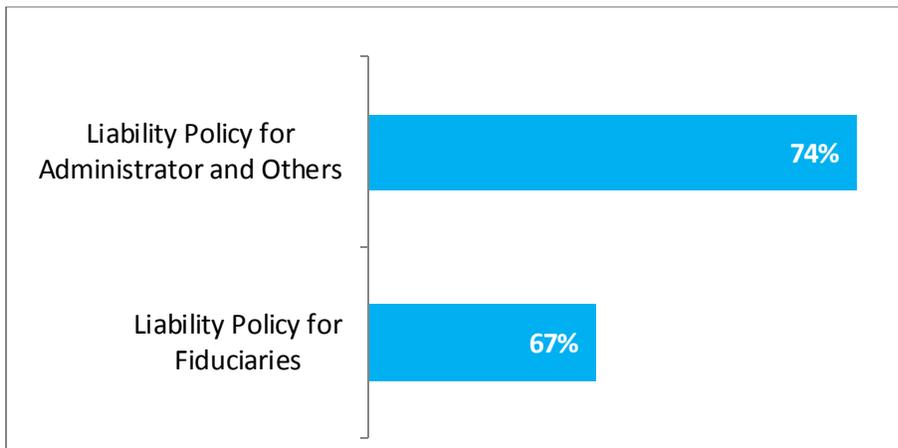


Figure 18: Actuarial Opinions for 2012-2013 Filers



Source: Form M-1 Part II Question 13

Figure 19: Fiduciary Liability Policies for 2012-2013 Filers



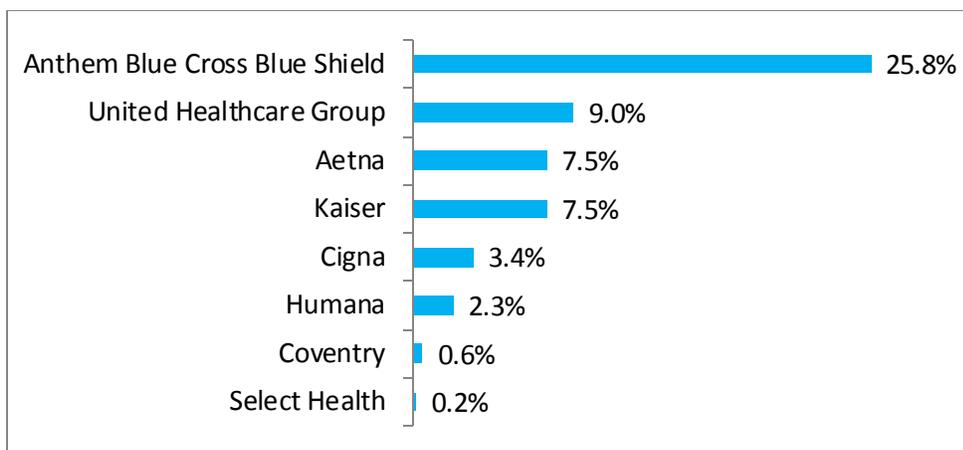
Source: Form M-1 Part II Question 14



Insurance Providers

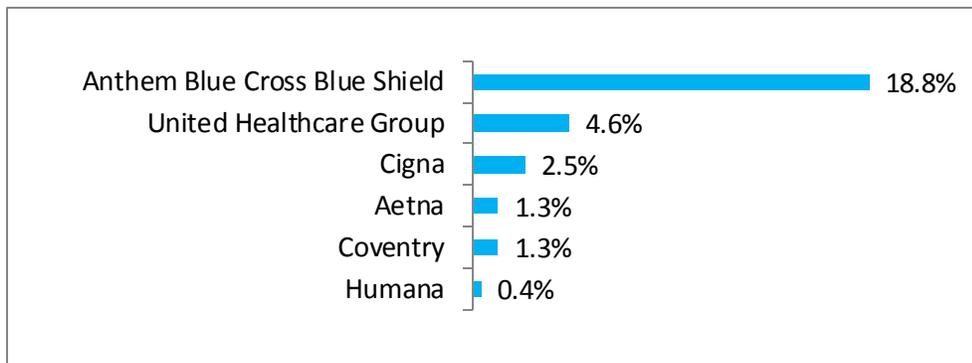
MEWAs or ECEs may purchase health insurance through third parties. This section of the analysis focuses on identifying the main insurance providers to MEWA/ECE plans³⁶. This supports EBSA in finding large service providers for potential investigation. This analysis used text matching to identify the largest insurers for fully-insured MEWAs or ECEs and MEWAs or ECEs that purchase stop loss coverage and categorized the insurers based on the total number of MEWAs or ECEs to which they provided coverage³⁷. Figure 20 and Figure 21 display the top insurers for fully-insured MEWAs or ECEs and MEWAs or ECEs that purchased stop loss coverage. In both groups, Anthem Blue Cross Blue Shield and United Health Group are the largest insurers.

Figure 20: Insurers for Fully-insured MEWAs and ECEs for all Filing Years



Source: Form M-1 Part II Question 17

Figure 21: Insurers for MEWAs or ECEs that purchased stop loss coverage for all Filing Years



Source: Form M-1 Part II Question 17

³⁶ Each filer can report multiple insurance providers for coverage across and within states.

³⁷ A text searching and cleaning algorithm was employed to identify and consolidate different versions of reported health insurance providers.



Schedule A Analysis

Summit performed two additional analyses on insurers using the information that Form M-1 filers provided on insurance³⁸ contracts held by a plan in Form 5500 Schedule A. Schedule A is an attachment to the Form 5500, thus only Form M-1 filers that also submit the Form 5500 could submit a Schedule A form. 48% of Form M-1 filings, from filing years 2010 to 2013, were matched to Form 5500 filings and of those filings, 95% had at least one Schedule A associated with its filing.³⁹ As a result, the following findings are based on 45% of the population of Form M-1 filers.

The Schedule A form has three fields that identify insurers: insurer name, EIN, and the National Association of Insurance Commissions (NAIC) code. We utilized the insurer name and EIN fields for the analyses. Table 2 displays the distribution of the largest insurers in the fully insured MEWA/ECE population based on prevalence of an insurer's name⁴⁰. In the second column, the percentage represents the proportion of Schedule A filings from fully insured plans that listed each insurer. The ranking of insurers aligns with the results of the initial insurer analysis in Figure 20 based on Form M-1 data, despite the difference in percentages.

Table 2: Top Insurers for Fully Insured MEWAs/ECEs by Name

Insurer Name	Percent
Anthem Blue Cross Blue Shield	10.0%
United Healthcare Group	5.7%
Kaiser	5.6%
Vision	5.2%
Aetna	5.0%
Standard	3.1%
Unum	2.9%
Humana	2.5%
Metro	2.4%

Note: The list in Table 2 represents insurers for 42% of Schedule A filings from the Form M-1 and Form 5500 filers that are fully insured. All other insurance carriers account for the remainder of the Schedule A filings.

Source: Form 5500 Schedule A

³⁸ The number of Form M-1 filings matched to Form 5500 filings continues to change as 2013 Form 5500 filings are submitted.

³⁹ A plan sponsor that files the Form 5500 may include more than one Schedule A form with its Form 5500 filing.

⁴⁰ A text searching and cleaning algorithm was employed to identify and consolidate different versions of reported health insurance providers.



Table 3 displays the distribution of the largest insurers in the fully insured MEWA/ECE population based on the prevalence of an insurer’s EIN in the Schedule A filings. Anthem Blue Cross Blue Shield is associated with and split across a number of EINs, causing it to disappear from this ranking.

Table 3: Top Insurers for Fully Insured MEWAs/ECEs by EIN

Insurer EIN	Insurer Name	Percent
066033492	Aetna	4.15%
941340523	Kaiser	4.07%
362739571	United Healthcare Group	3.09%
010278678	Unum	2.78%
135581829	Metropolitan Life Insurance Company	2.35%
061227840	Vision Service Plan	2.09%
135123390	The Guardian Life Insurance Company of America	1.86%
060303370	Cigna	1.81%
231503749	Life Insurance Company of North America	1.63%
930242990	Standard Insurance Company	1.63%

Note: The list in Table 3 represents insurers for 25.5% of Schedule A filings from the Form M-1 and Form 5500 filers that are fully insured. All other insurance carriers account for the remainder of the Schedule A filings.

Source: Form 5500 Schedule A

Table 4 displays the distribution of the largest insurers in the MEWA/ECE population that purchase stop loss coverage, based on prevalence of insurer name.

Table 4: Top Insurers for MEWAs/ECEs with Stop Loss Coverage by Name

Insurer Name	Percent
Anthem Blue Cross Blue Shield	25.9%
United Healthcare Group	6.8%
Symetra	6.8%
HM Life Insurance Company	4.9%
Sun Life Assurance Company of Canada	3.7%
Standard	3.7%
Cigna	3.1%
American	3.1%
Lloyd	2.5%
Elite	2.5%
Highmark	2.5%

Note: The list in Table 4 represents insurers for 65.5% of Schedule A filings from the Form M-1 and Form 5500 filers that are self-insured. All other insurance carriers account for the remainder of the Schedule A filings.

Source: Form 5500 Schedule A



Table 5 displays the distribution of the largest insurers in the MEWA/ECE population with stop loss coverage based on the prevalence of an insurer’s EIN in the Schedule A filings.

Table 5: Top Insurers for MEWAs/ECEs with Stop Loss Coverage by EIN

Insurer EIN	Insurer Name	Percent
450173185	Blue Cross Blue Shield of North Dakota	6.56%
910742147	Symetra Life Insurance Company	6.01%
060303370	Cigna	4.37%
362739571	United Healthcare Group	4.37%
470095156	Blue Cross Blue Shield of Nebraska	4.37%
381082080	Sun Life Assurance Company of Canada	3.83%
132611847	Elite Underwriting Services	3.28%
251334623	Highmark Casualty Insurance Group	3.28%
730714500	American Fidelity Assurance Company	3.28%
810216685	Blue Cross Blue Shield of Montana	3.28%

Note: The list in Table 5 represents insurers for 42.6% of Schedule A filings from the Form M-1 and Form 5500 filers that are self-insured. All other insurance carriers account for the remainder of the Schedule A filings.

Source: Form 5500 Schedule A



Conclusions

This report provides an analysis of the Form M-1 filings of MEWAs and ECEs. The scope of this analysis examines filings from 2010-2013 to understand key attributes of these filers and how they have changed over time with revisions to the Form and filing requirements. Additionally, we examined Form 5500 attributes available for a subset of the population that filed both Forms. Finally, we looked at the insurance providers serving this population and their prevalence across filers.

In this period of analysis, 2012 is an important year because the Form M-1 received many revisions, MEWAs and ECEs submitted the largest number filings, and new data was collected, such as compliance with ERISA Section 403 and usage of fiduciary liability policies. Some attributes of the Form M-1 filing population remained relatively constant over the period, including the size of the filing population and rate of self-reported compliance with ERISA Part 7 provisions. The majority of MEWAs and ECEs are fully insured and most who are self-insured utilize stop loss coverage policies.

Using Form M-1 and Schedule A data to analyze the insurer population, we observed that there is a wide variety of service providers for the MEWA/ECE population that are fully insured and purchase stop loss coverage. Our analyses focused on the prevalence of various insurers in the MEWA/ECE population. Using Form M-1 data, Anthem Blue Cross Blue Shield and United Healthcare Group covered the largest share of MEWAs and ECEs for those that were fully insured and purchased stop loss coverage. Using Schedule A data, Anthem Blue Cross Blue Shield and United Healthcare Group remain the most prevalent, but the distribution reported is more diverse.



Appendix A: 2013 Form M-1

2013 Form M-1 MEWA-ECE Form This Form is Open to Public Inspection	Report for Multiple Employer Welfare Arrangements (MEWAs) and Certain Entities Claiming Exception (ECEs) <small>This filing is required to be filed under section 101(g) of the Employee Retirement Income Security Act of 1974, as amended by the Patient Protection and Affordable Care Act.</small>	OMB No. 1210-0116 Department of Labor Employee Benefits Security Administration
---	--	--

PART I PURPOSE OF FILING

Complete as applicable:

- A** Identify the type of filing:
- (1) Annual Report:
 Calendar Year; or
 Fiscal Year beginning _____
 and ending _____
- (2) Registration
 (3) Origination
 (4) Special Filing
- B** Check here if this is a final report
 Check here if this is an amended report
 Check here if this is a request for an extension
- C** Identify the type of entity:
 (1) A Plan MEWA
 (2) A Non-Plan MEWA
 (3) An Entity Claiming Exception (ECE)
- D** Enter the most recent date the MEWA or ECE filed the
 Form M-1:
 Check the box if this is the first filing or enter the date below: _____

PART II CUSTODIAL & FINANCIAL INFORMATION

1a Name and address of the MEWA or ECE	1b Telephone number of the MEWA or ECE
	1c Employer Identification Number (EIN)
	1d Plan Number (PN)
2a Name and address of the administrator of the MEWA or ECE	2b Telephone number of the administrator
	2c EIN
	2d E-mail address of the administrator
3a Name and address of the entity or entities sponsoring the MEWA or ECE	3b Telephone number of the sponsor
	3c EIN
4a Name and address of the agent for service of process or registered agent	4b Telephone number of such person
	4c E-mail address of such person
5a Name and address of each member of the Board, officer, trustee, or custodian of the MEWA or ECE	5b Telephone number of each such person
	5c E-mail address of such person
6a Name and address of all promoters and/or agents responsible for marketing the MEWA or ECE	6b Telephone number of each promoter or agent
	6c E-mail address of such person
	6d EIN of each promoter or agent



7a Name and address of any person, financial institution(s), or other entity holding assets for the MEWA or ECE	7b Telephone Number of person financial institution or entity
8a Name and address of any actuary(ies) providing services to the MEWA or ECE	8b Telephone number of each actuary
	8c E-mail address of each actuary
	8d EIN of each actuary
9a If the MEWA or ECE has a contract with a third party administrator (TPA) the name and address of the third party administrator(s)	9b Telephone number of each TPA
	9c E-mail address of each TPA
	9d EIN of each TPA
10a Name and address of any person or entity that has authority or control over the MEWA's or ECE's assets or over assets paid to the entity by plans or employers for the provision of benefits	10b Telephone number of each such person or entity
	10c E-mail address of such person or entity
	10d EIN of each such person or entity
11a Name and address of any person or entity that has discretionary authority, control, or responsibility with respect to the administration of the MEWA or ECE or any benefit program offered by it	11b Telephone number of each such person or entity
	11c E-mail address of such person or entity
	11d EIN of each such person or entity
12a Names and addresses of the MEWAs or ECEs that merged	12b Telephone number of the entities
	12c EINs
	12d PNs
13 Do you have an opinion from an actuary assessing the MEWA's or ECE's actuarial soundness, including the adequacy of contribution rates? → <input type="checkbox"/> Yes <input type="checkbox"/> No	
14a Are you, your entity, and/or its officers, directors, and employees covered by fiduciary liability policies? Please identify the carrier that issued the fiduciary liability policy(ies) in the space provided. → <input type="checkbox"/> Yes <input type="checkbox"/> No	
14b Are the fiduciaries of each of the plans whose participants are receiving benefits from the entity covered by a fiduciary liability policy? → <input type="checkbox"/> Yes <input type="checkbox"/> No	
15 Are all assets in the possession of the MEWA or ECE maintained consistent with section 403 of ERISA and 29 CFR 2550.403a-1 and 2550.403b-1? → <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If no, please explain.</i>	
16a Within the past five years, has any litigation, investigation, or other enforcement proceeding (including any administrative proceeding) regarding any MEWA, ECE, or Group Health Plan been instituted by a Federal or State agency against the MEWA or ECE, a trustee, or a director, owner, partner, senior manager, or officer of the sponsoring entity? <i>If yes, please identify each litigation or enforcement proceeding to include (if applicable): (1) the case number, (2) the date, (3) the nature of the proceedings, (4) the court, (5) all parties (for example, plaintiffs and defendants or petitioners and respondents), and (6) the disposition.</i> → <input type="checkbox"/> Yes <input type="checkbox"/> No	
16b Have any of the persons or entities listed in this Part II ever been the subject of any criminal or civil investigation or action involving dishonesty or breach of trust or been convicted of a felony? → <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, please explain.</i>	
16c Have any cease and desist orders been issued by a Federal or State agency against any persons or entities listed in this Part II? → <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, please list the issuing entities and the year in which each order was issued.</i>	



17 Complete the following chart:

17a	17b	17c	17d	17e	17f	17g	17h	17i	17j
Enter all States where the MEWA or ECE is operating.	Is coverage provided?	State registration number.	Name of state agent or entity for service of process.	Is the entity a licensed health insurer in this State?	If yes to 17e, enter NAIC number.	If no to 17e, is the entity fully insured?	If yes to 17g, enter name and NAIC number of insurer.	Does the entity purchase stop loss coverage?	If yes to 17i, enter the name and NAIC number of insurer.

18 Of the States identified in box 17a, identify those States in which the entity conducted 20 percent or more of its business (based on the number of participants receiving coverage for medical care).

19 Total number of participants covered under the entity.

PART III INFORMATION FOR COMPLIANCE WITH PART 7 OF ERISA

20 If you answered yes to box 16a, in reference to any State or Federal litigation or enforcement proceeding (including any administrative proceeding), check yes below if the allegation concerns a provision under part 7 of ERISA, a corresponding provision under the Internal Revenue Code or Public Health Service Act, a breach of any duty under Title I of ERISA if the underlying violation relates to a requirement under part 7 of ERISA, or a breach of a contractual obligation if the contract provision relates to a requirement under part 7 of ERISA. Yes No

21 Is this a filing for which compliance with part 7 can be evaluated? (Note: The Self-Compliance Tool at <http://www.dol.gov/ebsa/healthlawschecksheets.html> may be helpful in answering Boxes 21a-21f.) If "yes," complete the following. Yes No

21a Is the coverage provided by the MEWA or ECE in compliance with the portability and nondiscrimination provisions of the Health Insurance Portability and Accountability Act of 1996, including Title I of the Genetic Information Nondiscrimination Act of 2008, and the Department of Labor's (Department's) regulations issued thereunder? Yes No N/A

21b Is the coverage provided by the MEWA or ECE in compliance with the Mental Health Parity Act of 1996 and the Mental Health Parity and Addiction Equity Act of 2008 and the Department's regulations issued thereunder? Yes No N/A

21c Is the coverage provided by the MEWA or ECE in compliance with the Newborns' and Mothers' Health Protection Act of 1996 and the Department's regulations issued thereunder? Yes No N/A

21d Is the coverage provided by the MEWA or ECE in compliance with the Women's Health and Cancer Rights Act of 1998? Yes No N/A

21e Is the coverage provided by the MEWA or ECE in compliance with Michelle's Law? Yes No N/A

21f Is the coverage provided by the MEWA or ECE in compliance with the Patient Protection and Affordable Care Act of 2010 and the Department's regulations issued thereunder that are applicable as of the date signed at the bottom of this form? Yes No N/A

ATTACHMENTS

SIGNATURE

Under penalty of perjury and other penalties set forth in the instructions, I declare that I have examined this report, including any accompanying attachments, and to the best of my knowledge and belief, it is true and correct. Under penalty of perjury and other penalties set forth in the instructions, I also declare that, unless this is an extension request, this report is complete.

Signature of Administrator:

Address of Administrator:

Date:



Appendix B: Form M-1 Data Description

The data for all Form M-1 filings is held in electronic databases. The information for each filing is spread across different tables and fields within the databases and the tables are connected by an identifier variable (id, form_id, etc). The table and field names vary across filing years and filing method (paper or electronic). Below, Table 6 and Table 7 list the names of each database and the tables that contain information from the Form M-1 filings.

Table 6: Filing Method, Database and Table Names, and Number of Data Fields for Filing Years 2010-2011

Filing Method	Database Name	Table Names	Table Description	Number of Data Fields
Paper	Mewa_YY	Admins_YYYY	Provides information on MEWA or ECE administrator	11
		Litig_procs_YYYY	Provides information on a MEWA/ECE's involvement in litigation proceedings	3
		Main_YYYY	Provides administrative information on MEWA or ECE	27
		Other_fields_YYYY	Provides information on Part 7 compliance	11
		Registration_YYYY	Provides information on a MEWA/ECE's geographical coverage	10
		Sponsors_YYYY	Provides administrative information on MEWA or ECE sponsors	10
Electronic	M1_YYYY	Compliance_information	Litigation or enforcement action and Part 7 compliance	9
		Coverage_info	Provides information on MEWA or ECE insurers	9
		Litigations_proceedings	Provides information on litigation proceedings	2
		Mewa_admins	Name and contact information of MEWA or ECE administrators	11
		Mewa_entities	Name and contact information of the MEWA or ECE	11
		Mewa_filings	Provides information on whether a MEWA or ECE submitted an approved filing	15
		Mewa_filing_attachments	Names and locations for Form M-1 attachments	5
		Mewa_sponsors	Name and contact information of MEWA or ECE sponsors	10
		Reg_information	Lists most recent date of origination and number of participants for each MEWA or ECE	3
		Report_ident_info	Indicates the type of filing that is submitted	8
		Special_filing_types	Lists the 3 types of special filings	3
		States_percentage	Lists the states in which an entity conducts 20% of its business	3

Coinciding with the 2012 revisions to the Form, there were several changes in how the data is stored. The number of tables in the electronic filings database increased from 11 to 23, and all table names were changed. Additionally, from 2012 and onward, all Form M-1 filings are stored in the same database. The fields INTERNAL_YEAR and TYPES_FORM_YEAR_ID contain the filing year for each filing.



Table 7: Database and Table Names and Number of Fields for Filing Years 2012-2013

Database Name	Table Name	Table Description	Number of Data Fields
M1_2012	Attachments	Lists the name and location of Form M-1 attachments	7
	Cease_and_desist_entities	Provides the issuing agency and date involved in cease and desist orders	5
	Coverages	Describes the type and location of coverage provided by a MEWA/ECE	14
	Coverage_states_20_percent	Lists the states in which a MEWA/ECE conducts 20% or more of its business	4
	Coverage_states	Lists all the states in which the MEWA/ECE provides coverage	4
	Filings	Indicates the year and type of filing	26
	Filing_parta	Contains various id numbers for filings	4
	Images	Provides the name of Form M-1 attachments	5
	Question_answers	Lists the name and contact information of the MEWA/ECE	19
	Reasons_for_filing	Provides id codes indicating the reason for filing	4
	Redactions	Contains entries used to override an Personally Identifiable Information (PII) in a filing	11
	Signature_requests	Contains a list of signature requests to MEWAs/ECES whose filings have been completed by service providers	7
	Types_answer	Describes values for types_answer_id variable	10
	Types_entity	Describes values for types_entity_id variable which indicates filing entity type	10
	Types_filing	Describes values for types_filing_id variable	10
	Types_filing_reason	Describes values for types_filing_reason_id variable	10
	Types_form_section	Describes values for types_form_section_id variable	11
	Types_form_year	Describes values for types_form_year_id variable	10
	Types_question	Describes values for types_question_id variable	20
	Types_signer_role	Describes values for types_signer_role_id variable	10
	Types_yes_no_na	Describes values for types_yes_no_na_id variable	10
	View_eds_search	Summarizes all information provided in the Form M-1	53



Appendix C: 2012 State Level Analysis

The following tables summarize state-level attributes of the MEWA and ECE population in 2012.

Table 8 describes the number and type of MEWAs and ECEs that operate in each state of the United States and some of its territories. This table is limited to 2012 Form M-1 filings, as this is the most recent year that has all Form M-1 filings submitted. The states with the largest numbers of MEWAs are California, Florida, Georgia, New York, Texas, and Washington. The states with the smallest MEWA presence are Alaska, Hawaii, North Dakota, South Dakota, Vermont, and West Virginia. The ECE population is very small or nonexistent across all states and territories. The states with the largest number of ECEs are California and New York, with eight and three ECEs, respectively.

Table 8: Number and types of MEWAs/ECEs that operate in each state in 2012

State	Number of Plan MEWAs Operating	Number of Non-Plan MEWAs Operating	Number of Plan ECEs Operating	Total	Percent
Alabama	56	5	0	61	1.7%
Alaska	31	4	0	35	1.0%
Arizona	72	10	1	83	2.4%
Arkansas	37	7	0	44	1.3%
California	147	9	8	164	4.7%
Colorado	67	9	0	76	2.2%
Connecticut	53	10	1	64	1.8%
Delaware	37	5	0	42	1.2%
District of Columbia	59	7	0	66	1.9%
Florida	93	10	0	103	2.9%
Georgia	94	11	0	105	3.0%
Guam	0	3	0	3	0.1%
Hawaii	22	5	1	28	0.8%
Idaho	48	7	1	56	1.6%
Illinois	88	8	0	96	2.7%
Indiana	74	7	0	81	2.3%
Iowa	50	7	0	57	1.6%
Kansas	51	7	0	58	1.7%
Kentucky	77	9	0	86	2.5%
Louisiana	46	7	0	53	1.5%
Maine	33	7	1	41	1.2%
Maryland	63	8	0	71	2.0%
Massachusetts	65	8	0	73	2.1%
Michigan	69	8	2	79	2.3%
Minnesota	67	8	0	75	2.1%
Mississippi	42	5	1	48	1.4%
Missouri	70	9	0	79	2.3%
Montana	50	6	1	57	1.6%
Nebraska	40	7	1	48	1.4%
Nevada	49	8	1	58	1.7%
New Hampshire	44	5	0	49	1.4%
New Jersey	79	10	1	90	2.6%
New Mexico	36	8	0	44	1.3%
New York	100	11	3	114	3.3%
North Carolina	69	7	1	77	2.2%
North Dakota	32	3	1	36	1.0%
Northern Mariana Islands	3	0	0	3	0.1%
Ohio	82	11	0	93	2.7%
Oklahoma	51	5	2	58	1.7%
Oregon	78	9	0	87	2.5%
Pennsylvania	87	10	1	98	2.8%
Puerto Rico	3	2	0	5	0.1%
Rhode Island	40	3	0	43	1.2%



State	Number of Plan MEWAs Operating	Number of Non-Plan MEWAs Operating	Number of Plan ECEs Operating	Total	Percent
South Carolina	58	9	0	67	1.9%
South Dakota	18	3	1	22	0.6%
Tennessee	69	8	1	78	2.2%
Texas	106	10	1	117	3.4%
Utah	44	4	0	48	1.4%
Vermont	22	3	0	25	0.7%
Virgin Islands	1	3	0	4	0.1%
Virginia	79	12	0	91	2.6%
Washington	98	7	0	105	3.0%
West Virginia	28	6	0	34	1.0%
Wisconsin	56	6	0	62	1.8%
Wyoming	44	7	1	52	1.5%
Total	3077	383	32	3,492	100%

Source: This figure is based on data from Form M-1 filings for filing year 2012.

Table 9 lists the states where MEWAs and ECEs conduct at least 20% of their business, based on the number of participants that receive medical coverage. The states with the highest instances of MEWAs conducting at least 20% of their business in the state are California, Florida, New York, Oregon, Texas, and Washington, which is mostly consistent with the states that have the largest number of MEWAs.

Table 9: Number and types of MEWAs/ECEs with 20% or more of their business in each state in 2012

State	Number of Plan MEWAs with 20% or more of business in state	Number of Non-Plan MEWAs with 20% or more of business in state	Number of ECEs with 20% or more of business in state	Total	Percent
Alabama	2	0	0	2	0.4%
Alaska	5	0	0	5	0.9%
Arizona	5	1	0	6	1.1%
Arkansas	0	1	0	1	0.2%
California	46	5	7	58	10.5%
Colorado	1	0	0	1	0.2%
Connecticut	4	1	0	5	0.9%
District of Columbia	12	0	0	12	2.2%
Florida	23	1	0	24	4.4%
Georgia	19	0	0	19	3.5%
Hawaii	1	0	1	2	0.4%
Idaho	5	0	0	5	0.9%
Illinois	13	0	0	13	2.4%
Indiana	14	0	0	14	2.5%
Iowa	4	0	0	4	0.7%
Kansas	6	0	0	6	1.1%
Kentucky	23	0	0	23	4.2%
Louisiana	4	0	0	4	0.7%
Maine	3	0	1	4	0.7%
Maryland	6	0	0	6	1.1%
Massachusetts	5	1	0	6	1.1%
Michigan	5	1	2	8	1.5%
Minnesota	11	0	0	11	2.0%
Mississippi	2	0	0	2	0.4%
Missouri	13	0	0	13	2.4%
Montana	19	0	0	19	3.5%
Nebraska	3	1	1	5	0.9%
Nevada	6	0	1	7	1.3%
New Hampshire	1	0	0	1	0.2%



State	Number of Plan MEWAs with 20% or more of business in state	Number of Non-Plan MEWAs with 20% or more of business in state	Number of ECEs with 20% or more of business in state	Total	Percent
New Jersey	16	2	0	18	3.3%
New Mexico	2	0	0	2	0.4%
New York	32	4	3	39	7.1%
North Carolina	5	1	0	6	1.1%
North Dakota	8	0	0	8	1.5%
Ohio	11	2	0	13	2.4%
Oklahoma	7	0	1	8	1.5%
Oregon	27	1	0	28	5.1%
Pennsylvania	18	1	0	19	3.5%
Puerto Rico	1	0	0	1	0.2%
Rhode Island	1	0	0	1	0.2%
South Carolina	6	0	0	6	1.1%
Tennessee	11	3	0	14	2.5%
Texas	23	2	1	26	4.7%
Utah	5	0	0	5	0.9%
Virginia	11	3	0	14	2.5%
Washington	38	2	0	40	7.3%
Wisconsin	7	0	0	7	1.3%
Wyoming	9	0	0	9	1.6%
Total	499	33	18	550	100%

Source: This figure is based on data from Form M-1 filings for filing year 2012.

Table 10 describes types of funding for MEWAs and ECEs throughout the United States and some of its territories. This table is limited to 2012 Form M-1 filings, as this is the most recent year that has all Form M-1 filings submitted. Filers indicate whether they are a licensed health insurer, fully insured, or have purchased stop loss coverage in each state where they operate.^{41,42} If a filer indicated that it was not fully insured in a state, Summit interpreted that as meaning the filer was self-insured in that state.⁴³ Across all states and territories, the majority of MEWAs or ECEs are fully insured or purchased stop loss coverage if they are self-insured.

Table 10: Number of MEWAs/ECEs that identified as licensed insurers, fully insured, self-insured, and purchased stop-loss coverage by state in 2012

State	Number of MEWAs/ECEs Operating	Licensed Insurers	Fully Insured	Self-Insured	If Self-Insured: Stop Loss Coverage
Alabama	61	4.9%	77.0%	16.4%	90.0%
Alaska	35	14.3%	68.6%	11.4%	75.0%
Arizona	83	12.0%	79.5%	7.2%	83.3%
Arkansas	44	9.1%	75.0%	11.4%	80.0%
California	164	11.0%	83.5%	9.8%	87.5%
Colorado	76	9.2%	75.0%	11.8%	88.9%

⁴¹ In a fully insured plan the MEWA or ECE contracts with another organization to assume financial responsibility for the enrollees' medical claims and for all incurred administrative costs.

⁴² Stop loss coverage is a policy that takes effect after a certain amount has been paid in claims, for each Participant and Aggregate Amount for each Policy year. This protects against catastrophic claims.

⁴³ In a self-insured plan, the MEWA or ECE directly pays for most or all of the cost of health insurance for their participants and beneficiaries. The MEWA or ECE may purchase stop loss coverage to insure against large claims.



State	Number of MEWAs/ECEs Operating	Licensed Insurers	Fully Insured	Self-Insured	If Self-Insured: Stop Loss Coverage
Connecticut	64	7.8%	82.8%	6.3%	75.0%
Delaware	42	4.8%	83.3%	7.1%	66.7%
District of Columbia	66	15.2%	71.2%	12.1%	75.0%
Florida	103	6.8%	80.6%	11.7%	83.3%
Georgia	105	4.8%	75.2%	16.2%	82.4%
Guam	3	33.3%	33.3%	33.3%	0.0%
Hawaii	28	3.6%	78.6%	10.7%	66.7%
Idaho	56	14.3%	69.6%	14.3%	75.0%
Illinois	96	7.3%	81.3%	8.3%	87.5%
Indiana	81	4.9%	77.8%	13.6%	90.9%
Iowa	57	8.8%	75.4%	12.3%	85.7%
Kansas	58	6.9%	81.0%	8.6%	80.0%
Kentucky	86	5.8%	80.2%	11.6%	90.0%
Louisiana	53	7.5%	69.8%	18.9%	90.0%
Maine	41	7.3%	75.6%	12.2%	60.0%
Maryland	71	11.3%	76.1%	8.5%	50.0%
Massachusetts	73	6.8%	80.8%	8.2%	66.7%
Michigan	79	5.1%	81.0%	10.1%	75.0%
Minnesota	75	6.7%	73.3%	16.0%	91.7%
Mississippi	48	6.3%	70.8%	18.8%	88.9%
Missouri	79	7.6%	75.9%	12.7%	90.0%
Montana	57	14.0%	57.9%	29.8%	94.1%
Nebraska	48	8.3%	72.9%	14.6%	85.7%
Nevada	58	13.8%	74.1%	8.6%	60.0%
New Hampshire	49	6.1%	79.6%	10.2%	60.0%
New Jersey	90	5.6%	76.7%	14.4%	76.9%
New Mexico	44	13.6%	77.3%	4.5%	50.0%
New York	114	8.8%	78.9%	9.6%	72.7%
North Carolina	77	5.2%	77.9%	13.0%	90.0%
North Dakota	36	2.8%	63.9%	27.8%	80.0%
Northern Mariana Islands	3	0.0%	66.7%	33.3%	100.0%
Ohio	93	5.4%	82.8%	8.6%	75.0%
Oklahoma	58	5.2%	60.3%	31.0%	77.8%
Oregon	87	11.5%	80.5%	6.9%	66.7%
Pennsylvania	98	8.2%	76.5%	13.3%	69.2%
Puerto Rico	5	0.0%	80.0%	20.0%	0.0%
Rhode Island	43	4.7%	83.7%	7.0%	33.3%
South Carolina	67	7.5%	82.1%	7.5%	80.0%
South Dakota	22	0.0%	81.8%	9.1%	50.0%
Tennessee	78	6.4%	78.2%	11.5%	77.8%
Texas	117	6.0%	72.6%	17.9%	85.7%
Utah	48	6.3%	72.9%	14.6%	85.7%
Vermont	25	0.0%	88.0%	4.0%	0.0%
Virgin Islands	4	75.0%	25.0%	0.0%	0.0%
Virginia	91	11.0%	75.8%	11.0%	80.0%
Washington	105	6.7%	85.7%	4.8%	60.0%
West Virginia	34	11.8%	76.5%	5.9%	50.0%
Wisconsin	62	9.7%	80.6%	6.5%	75.0%
Wyoming	52	7.7%	51.9%	36.5%	94.7%
Total	3,492	8%	77%	12%	80%

Note: For each state, a filer reports whether they are a licensed insurer, fully insured, or purchase stop-loss coverage. In some cases, filers provided conflicting information resulting in instances where the sum of entities across categories does not equal 100% at the state level.

Source: For each state, filers report the funding mechanism, stop-loss coverage and insurers on Form M-1 Part II Question 17