

§ 58-50A-80. Filing of application.

Applicants for a license under this Article shall file with the Commissioner an application for a license on a form prescribed by the Commissioner and signed under oath by officers of the entity requesting the licensure. The application shall include or have attached all of the following:

- (1) A copy of the articles of incorporation, constitution, and bylaws of the applicant entity.
- (2) A list of the names, addresses, and official capacities with the MEWA of the individuals who will be responsible for the management and conduct of the affairs of the MEWA, including all trustees, officers, and directors. These individuals shall fully disclose the extent and nature of any contracts or arrangements between them and the MEWA, including possible conflicts of interest.
- (3) A copy of the articles of incorporation, bylaws, or trust agreement that governs the operation of the MEWA.
- (4) A copy of the policy, contract, certificate, summary plan description, or other evidence of the benefits and coverages provided to covered employees, including a table of the rates charged or proposed to be charged for each form of the contract. An actuary who is a member of the American Academy of Actuaries or the Society of Actuaries and has experience in establishing rates for a self-insured trust and health services being provided, shall certify all of the following:
 - a. The rates are neither inadequate, nor excessive, nor unfairly discriminatory.
 - b. The rates are appropriate for the classes of risks for which they have been computed.
 - c. An adequate description of the rating methodology has been filed with the Commissioner and that methodology follows consistent and equitable actuarial principles.
- (5) A copy of a fidelity bond, in an amount determined by rules adopted by the Commissioner, issued in the name of the MEWA and covering any individuals managing or handling the funds or assets of the MEWA. In no case may the bond be less than fifty thousand dollars (\$50,000) or more than five hundred thousand dollars (\$500,000).
- (6) A copy of the MEWA's excess insurance agreement.
- (7) A feasibility study, made by an independent qualified actuary and an independent certified public accountant with an opinion acceptable to the Commissioner, that addresses market potential, market penetration, market competition, operating expenses, gross revenues, net income, total assets and liabilities, cash flow, and other items as the Commissioner requires. The study shall be for the greater of three years or until the MEWA has been projected to be profitable for 12 consecutive months. The study shall be required to show that the MEWA would not, at any month end of the projection period, have less than the reserves required by G.S. 58-50A-70(d).
- (8) A copy of an audited financial statement of the MEWA reflecting the minimum statutory reserve required by G.S. 58-50A-70(d).
- (9) Evidence satisfactory to the Commissioner showing that the MEWA will be operated in accordance with sound actuarial principles. The Commissioner shall not approve the MEWA unless it is determined that the MEWA is designed to provide sufficient revenues to pay current and future liabilities, as determined in accordance with sound actuarial principles.

- (10) A copy of every contract between the MEWA and any administrator or service company.
- (11) Any additional information as the Commissioner may require. (1991, c. 611, s. 1; 2019-202, ss. 2(e), 8; 2024-57, s. 3G.1(b).)