

## **Self-Funded Joint Public Agency (“JPA”) Health Care Plans Registration Requirements**

The forms and procedures of the application process are designed to facilitate our review of the application. Therefore, it is extremely important that your application conforms fully to the instructions and requirements set forth below. This list may not provide all the information or requirements that will be needed to register the self-funded plan, based upon your particular situation. You will be advised of any additional registration information that is required. **Please submit the following:**

1. The attached [application for registration form](#) signed by at least one (1) official authorized to sign the application on behalf of the public agency employer and at least one (1) plan trustee. A copy of the joint powers agreement that includes an adequate written irrevocable agreement between the public agencies and the board of trustees, under which the joint public agency self-funded trust fund is to exist and operate. The joint powers agreement should comply with Title 41, Chapter 41, Idaho Code, and contain the conditions set forth in sections 41-4104, Idaho Code, and IDAPA 18-01-28.
2. A copy of the proposed written statement of benefits referenced in section 41-4104(1)(c), Idaho Code. The statement should include a table of the rates charged. The benefit forms should be in compliance with all requirements of Title 41, Chapter 41 and other code sections as required under Idaho Code section 41-4121. The benefit forms should not include any terms that could be misconstrued to imply that the plan is one of insurance, including, but not limited to, references to words such as “insurance,” “reinsurance”, “premium”, or other common insurance terms. Each form should clearly state that the benefit plan is not insurance and not subject to the Idaho Guaranty Association. Additionally, all updates or future changes to the benefit plan must be re-filed with the DOI for review.
3. Copies of all materials used in marketing or the solicitation of business.
4. An audited financial statement of the trust fund, if already in existence and operating at the time of application, certified by an independent certified public accountant and in accordance with generally accepted accounting principles. The statement should be accompanied by an actuarial opinion certifying the reserve liabilities. The actuarial certification must include a statement describing bases used in reserve determination and shall be prepared in accordance with actuarial standards of practice prepared in accordance

with IDAPA 18.01.28.026.03. . The income statement should provide enough detail to identify specific significant expenses of the trust.

5. If the trust fund is not in existence at the time of application or is undergoing substantial changes in benefits or number of beneficiaries, a pro forma balance sheet is required as of the date of the start of operation of the plan; and a pro forma balance sheet, by month, is required for the first twelve (12) months of operation of the plan, commencing with the expected start date of the plan's operations, and showing the amount projected as of the end of each period for claims incurred but not paid and incurred but not reported as certified by a qualified actuary. In order to verify compliance with Idaho Code and Rules, the balance sheet should include: 1) a detailed list of the type and amount of investments of the plan; 2) reserves for claims and other items, per Idaho Rule [IDAPA 18.01.28.026](#), which have been certified by an actuary; and 3) other liabilities.
6. A pro forma statement of reasonably projected income and disbursements of the Fund, by month, for the twelve (12) month period commencing with the expected effective date of operations, and including changes to claims liabilities fully set forth in the monthly expenses as calculated by a qualified actuary. Please provide enough detail that the DOI can identify specific significant expenses of the Trust, by month. Do NOT use the annual estimated expense and simply allocate the expense monthly, unless the estimated expense will be paid or accrued monthly, in practice. The Trust should have enough surplus to cover fluctuations in expenses and claims and still meet the minimum surplus requirements at all times.
7. A copy of a business plan for the Plan. Include the amount of initial funding planned by the employer or plan sponsor that will be in addition to the monthly contributions. This amount cannot be a loan, prepayment, or encumbered in any way.
8. A certified statement attesting to actuarial soundness of contribution rates for each plan offered. Submit the actuarial study(ies) prepared by a qualified actuary certifying that, for the first year of operations (or first year after registration), the rates for each plan are sufficient to cover moderately adverse experience and all costs of operation. The study shall include the development and justification of the assumptions used by the actuary in determining the rates and the period of time for which rates may be deemed valid. Also, include each of the employer and employee contribution rates for each participating entity (if they differ from the rates determined in the study), and show how in total the needed contributions will be collected. A qualified actuary must certify the statement.

9. A copy of any study made of the proposed self-funded health care plan(s) by a consultant for the information or guidance of the JPA public agency members.
10. A certified copy of the surety bond or dishonesty insurance policy to cover all individuals, including the Trustees and all other persons handling receipts and disbursements for the Trust Fund, in compliance with Idaho Code § 41-4114(3), In addition, a certified copy of the surety bond required of an administrator or otherwise known as a third party administrator as defined in Title 41, Chapter 9, Idaho code, in an amount as stated in Idaho Code § 41-911(8). The bond or equivalent policy coverage should be in the name of the Trust (not the plan sponsor) and contain the language outlined in [IDAPA 18.01.28.027.02](#), “Cancellation of Bond Requirements.” The bond or equivalent policy coverage must contain specific language stating “that it is noncancellable except upon not less than thirty (30) days advance notice in writing to the trustee and the Director.” A copy of any notice cancelling a bond/equivalent policy coverage required under chapter 41, title 41, Idaho Code, is to be forwarded to the Director by the surety/insurer at the same time it is forwarded to the Trustee.
11. A copy of every contract between the Plan and any administrator, trustee, service company, or other person or entity. If the Plan sponsor is providing any services, regardless of reimbursement, a written contract is included in this requirement.
12. A biographical affidavit, on [a form prescribed by the Director](#), for each of the Plan’s Trustees with original signatures and notarizations. Third party verification is not required for the biographical affidavit.
13. A copy of all stop loss agreements that include applicable stop-loss insurance provided, or to be provided, to the Plan by an insurer duly authorized to transact disability insurance in this state. [The Plan must maintain aggregate stop-loss coverage and specific stop-loss coverage provided by an insurance company authorized to transact insurance in this state.]
14. In addition to including the Joint Powers Agreement, the application shall also include: a list of the names, addresses, contact information and official capacities of the individuals responsible for the management and conduct of the affairs of the JPA Plan, including all trustees, officers, and directors.
15. The trustees and the management of the Trust shall fully disclose the extent and nature of any contracts or arrangements between each Trustee or managing entity and the Plan, and disclose any possible conflicts of interest.

16. Prior to registration, the members of the Board of Trustees and responsible public agency officials of the proposed joint public agency self-funded health care plan shall meet with Department of Insurance personnel to review the requirements of the Idaho Code as they may relate to joint public agency self-funded health care plans and to Trustee's fiduciary duties and financial responsibilities. Contact the DOI to arrange a meeting at 208-334-4309.