

Multiple Employer Trusts (MET)

- A method of marketing group benefits to employers who have a small number of employees is the multiple employer trust (MET). MET's may provide either a single type of insurance (such as health insurance) or a wide range of coverages (for example, life medical expense, and disability income insurance). In some cases, alternative forms of the same coverage are available (such as comprehensive health insurance or basic health insurance).
- An employer who wants to get coverage for employees from a MET must first become a member of the trust by subscribing to it. The employer is issued a joinder agreement, which spells out the relationship between the trust and the employer and specifies the coverages to which the employer has subscribed. It is not necessary for an employer to subscribe to all the coverages offered by a MET.
- A MET may either provide benefits on a self-funded basis or fund benefits with a contract purchased from an insurance company. In the latter case, the trust, rather than the subscribing employers, is the master insurance contract holder. In either case, the employees of subscribing employers are provided with a benefit description (certificates of insurance) in a manner similar to the usual group insurance agreement.
- In addition to alternative methods of funding benefits, METs can be categorized according to how they are administered, that is, whether by an insurance company or a third-party administrator.