

Glossary – M

McCarran-Ferguson Act – This Act is codified in USC Sections 101-15 and provides that the “business of insurance” is not synonymous with the business of insurers. The reason for the McCarran-Ferguson Act arose when the Supreme Court in 1948 reversed an earlier Supreme Court decision by holding that insurance was interstate commerce and therefore subject to Federal Trade and Commerce laws. Without intervening federal legislation, the state fabric of insurance regulation would have been irreparable torn. To avoid this unintended consequence, the Congress enacted the McCarran-Ferguson Act which gave the insurers a *free-pass* permitting them to continue being state-regulated based on the condition that each state enact Trade And Commerce laws comparable to Federal Trade and Commerce laws.

Medical Reimbursement Plan (MRP) - This is a health care arrangement where an employer reimburses an employee for health or accident expenses incurred by the employee or dependents. The mechanics for such reimbursement may be with a fully insured or self-funded medical reimbursement plan. These arrangements (plans) offer great advantages to both the employer and the employees. The medical expense reimbursements are tax deductible by the employer and the employer has great flexibility in the design of the plan’s provisions, such as establishing maximum amounts for reimbursement and setting eligibility requirements for participation. The biggest advantage to employees is that the plan’s reimbursement payments are not considered taxable income to the employees, provided that they have not taken a medical expense deduction for these amounts on their personal tax return.

MetLife v. Glenn – In this important decision, the Supreme Court ruled that the presence of conflicted interest (if only potential) will be used against such litigant by the Court in its review if such litigant was a fiduciary with respect to the facts of the case.