

Resolution

To Protect the Ability of Licensed Insurance Professionals to Continue to Serve the Public

Sponsored by Illinois, Maine, Florida, Kansas, Oklahoma, Louisiana, Alaska, New Hampshire, Utah, South Carolina, North Carolina, Nevada, Montana, Ohio, New Jersey, Kentucky, Missouri, Michigan, Connecticut, Tennessee, Washington, Delaware, California, New York, and North Dakota

WHEREAS: Licensed health insurance producers (agents and brokers) provide a wide range of services for both individual consumers and the business community. Producers interface with insurers, acquire quotes, analyze plan options, and consult clients through the purchase of health insurance;

WHEREAS: In addition, producers provide guidance regarding benefit and contribution arrangements to ensure compliance with applicable state and federal laws/regulations; assist with establishing Section 125 plans, HRA, FSA, and other programs to maximize tax advantages and ensure compliance with applicable IRS guidelines; create educational materials and provide on-site assistance to aid in employee benefit communication; assist in managing eligibility for new hires and terminated employees; provide advocacy for employees through the health insurance claim process; and advocate for employers with insurers in developing proposals, renewals, and for service issues throughout the year;

WHEREAS: In order to meet these responsibilities, producers are required to complete continuing education on an ongoing basis in order to maintain appropriate licenses. This requirement to maintain educational standards helps assure the insured public that producers remain current with the ever-evolving insurance market;

WHEREAS: It is essential that producers continue to perform these duties, and others, as the Affordable Care Act has made significant changes to the regulatory environment for health plans. To understand these changes, employers and consumers will need professional guidance even more in the future. This service is disproportionately important for small businesses, as producers often fill the role of an HR department as well as professional consultant.

WHEREAS: The Affordable Care Act provides for “Navigators” to conduct public education and distribute fair and impartial information concerning enrollment in health plans and provide referrals for consumer assistance. While these are important activities, Navigators are not licensed and trained insurance producers and are not authorized to engage in all activities that are appropriate for licensed producers. Unless the activities and compensation of Navigators are carefully structured, this program could provide an avenue for untrained individuals to evade producer licensing requirements and expose consumers to harm.

WHEREAS: The core mission of state insurance regulators is to protect consumers in all aspects of the business of insurance, and the continuing role of producers in the health insurance transaction warrants a transitional approach as we move toward January 1, 2014.

WE, THE MEMBERS OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, THEREFORE RESOLVE THAT:

As the standards for implementing national health reform are being developed, it is essential that they recognize and protect the indispensable role that licensed insurance professionals play in serving consumers. It is important for federal policymakers to acknowledge the critical role of producers and to establish standards for the Exchanges so that insurance professionals will continue to be adequately compensated for the services they provide, and so that the duties of Exchange Navigators appropriately reflect the important role of insurance producers who are skilled, knowledgeable, educated and licensed and regulated.