



# Senate

General Assembly

**File No. 212**

January Session, 2017

Senate Bill No. 924

*Senate, March 23, 2017*

The Committee on Insurance and Real Estate reported through SEN. LARSON of the 3rd Dist. and SEN. KELLY of the 21st Dist., Chairpersons of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT REQUIRING THAT HEALTH CARRIERS USING THE CONNECTICUT HEALTH INSURANCE EXCHANGE PAY A MINIMUM COMMISSION TO CERTAIN INSURANCE PRODUCERS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-1080 of the general statutes is repealed and  
2 the following is substituted in lieu thereof (*Effective January 1, 2018*):

3 For purposes of sections 38a-1080 to 38a-1093, inclusive, and section  
4 2 of this act:

5 (1) "Board" means the board of directors of the Connecticut Health  
6 Insurance Exchange;

7 (2) "Commissioner" means the Insurance Commissioner;

8 (3) "Exchange" means the Connecticut Health Insurance Exchange  
9 established pursuant to section 38a-1081;

10 (4) "Affordable Care Act" means the Patient Protection and  
11 Affordable Care Act, P.L. 111-148, as amended by the Health Care and  
12 Education Reconciliation Act, P.L. 111-152, as both may be amended  
13 from time to time, and regulations adopted thereunder;

14 (5) (A) "Health benefit plan" means an insurance policy or contract  
15 offered, delivered, issued for delivery, renewed, amended or  
16 continued in the state by a health carrier to provide, deliver, pay for or  
17 reimburse any of the costs of health care services.

18 (B) "Health benefit plan" does not include:

19 (i) Coverage of the type specified in subdivisions (5), (6), (7), (8), (9),  
20 (14), (15) and (16) of section 38a-469 or any combination thereof;

21 (ii) Coverage issued as a supplement to liability insurance;

22 (iii) Liability insurance, including general liability insurance and  
23 automobile liability insurance;

24 (iv) Workers' compensation insurance;

25 (v) Automobile medical payment insurance;

26 (vi) Credit insurance;

27 (vii) Coverage for on-site medical clinics; or

28 (viii) Other similar insurance coverage specified in regulations  
29 issued pursuant to the Health Insurance Portability and Accountability  
30 Act of 1996, P.L. 104-191, as amended from time to time, under which  
31 benefits for health care services are secondary or incidental to other  
32 insurance benefits.

33 (C) "Health benefit plan" does not include the following benefits if  
34 they are provided under a separate insurance policy, certificate or  
35 contract or are otherwise not an integral part of the plan:

36 (i) Limited scope dental or vision benefits;

37 (ii) Benefits for long-term care, nursing home care, home health  
38 care, community-based care or any combination thereof; or

39 (iii) Other similar, limited benefits specified in regulations issued  
40 pursuant to the Health Insurance Portability and Accountability Act of  
41 1996, P.L. 104-191, as amended from time to time;

42 (iv) Other supplemental coverage, similar to coverage of the type  
43 specified in subdivisions (9) and (14) of section 38a-469, provided  
44 under a group health plan.

45 (D) "Health benefit plan" does not include coverage of the type  
46 specified in subdivisions (3) and (13) of section 38a-469 or other fixed  
47 indemnity insurance if (i) such coverage is provided under a separate  
48 insurance policy, certificate or contract, (ii) there is no coordination  
49 between the provision of the benefits and any exclusion of benefits  
50 under any group health plan maintained by the same plan sponsor,  
51 and (iii) the benefits are paid with respect to an event without regard  
52 to whether benefits were also provided under any group health plan  
53 maintained by the same plan sponsor;

54 (6) "Health care services" has the same meaning as provided in  
55 section 38a-478;

56 (7) "Health carrier" means an insurance company, fraternal benefit  
57 society, hospital service corporation, medical service corporation,  
58 health care center or other entity subject to the insurance laws and  
59 regulations of the state or the jurisdiction of the commissioner that  
60 contracts or offers to contract to provide, deliver, pay for or reimburse  
61 any of the costs of health care services;

62 (8) "Internal Revenue Code" means the Internal Revenue Code of  
63 1986, or any subsequent corresponding internal revenue code of the  
64 United States, as amended from time to time;

65 (9) "Person" has the same meaning as provided in section 38a-1;

66 (10) "Qualified dental plan" means a limited scope dental plan that

67 has been certified in accordance with subsection (e) of section 38a-1086;

68 (11) "Qualified employer" has the same meaning as provided in  
69 Section 1312 of the Affordable Care Act;

70 (12) "Qualified health plan" means a health benefit plan that has in  
71 effect a certification that the plan meets the criteria for certification  
72 described in Section 1311(c) of the Affordable Care Act and section  
73 38a-1086;

74 (13) "Qualified individual" has the same meaning as provided in  
75 Section 1312 of the Affordable Care Act;

76 (14) "Secretary" means the Secretary of the United States  
77 Department of Health and Human Services;

78 (15) "Small employer" has the same meaning as provided in section  
79 38a-564.

80 Sec. 2. (NEW) (*Effective January 1, 2018*) (a) For purposes of this  
81 section, "insurance producer" has the same meaning as provided in  
82 section 38a-702a of the general statutes.

83 (b) Any health carrier that delivers, issues for delivery, renews,  
84 amends or continues a qualified health plan through the exchange  
85 shall pay a reasonable commission to the insurance producer who, on  
86 or after January 1, 2018, assisted an individual or a small employer to  
87 evaluate the qualified health plans offered through the exchange and  
88 select such a plan.

89 (c) The exchange shall establish a schedule of reasonable  
90 commissions that health carriers shall pay to insurance producers  
91 under subsection (b) of this section.

92 (d) (1) The exchange shall establish and maintain a complaint  
93 system to provide reasonable procedures for the resolution of a written  
94 complaint initiated by an insurance producer concerning a health  
95 carrier's failure to comply with subsection (b) of this section. The

96 exchange shall maintain records of all written complaints initiated by  
97 insurance producers under this subdivision.

98 (2) The commissioner may examine the complaint and  
99 recordkeeping systems established by the exchange under subdivision  
100 (1) of this subsection and, if the commissioner determines that such  
101 systems are inadequate, may, by regulation, require that the exchange  
102 revise such systems.

103 (3) The chief executive officer of the exchange shall provide to the  
104 commissioner the name of any health carrier that fails to comply with  
105 subsection (b) of this section.

106 (4) The commissioner shall see that all laws respecting the authority  
107 of the exchange pursuant to subsection (b) of this section are faithfully  
108 executed. The commissioner has all the powers specifically granted  
109 under title 38a of the general statutes and all further powers that are  
110 reasonable and necessary to enable the commissioner to enforce the  
111 provisions of said subsection (b).

112 (5) Any health carrier aggrieved by any order or decision of the  
113 commissioner under subdivision (4) of this subsection may appeal  
114 therefrom in accordance with section 38a-19 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2018</i>	38a-1080
Sec. 2	<i>January 1, 2018</i>	New section

**INS**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill does not result in a fiscal impact to the state or municipalities as the bill requires the commission to be paid by the health carrier to the licensed insurance producer. In addition, the bill does not result in a cost to the Department of Insurance as the requirements of the bill are within the agency's expertise.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****SB 924*****AN ACT REQUIRING THAT HEALTH CARRIERS USING THE CONNECTICUT HEALTH INSURANCE EXCHANGE PAY A MINIMUM COMMISSION TO CERTAIN INSURANCE PRODUCERS.*****SUMMARY**

This bill requires a health carrier (e.g., insurer or HMO) that delivers, issues, renews, amends, or continues qualified health plans through the Connecticut Health Insurance Exchange (i.e., Access Health CT) to pay a reasonable commission to a licensed insurance producer who helps an individual or small employer evaluate and select such a plan.

The bill requires the exchange to establish (1) the commissions a carrier will pay and (2) a complaint system for resolving insurance producers' complaints that a carrier is not paying commissions as required. The exchange must maintain records of any written complaints received from producers. The bill authorizes the insurance commissioner to examine the exchange's complaint and recordkeeping systems and if she determines they are inadequate, issue regulations requiring the exchange to revise the systems.

The bill requires the exchange's chief executive officer to give the commissioner the name of any carrier failing to pay reasonable commissions as required. It gives the commissioner the power to enforce the requirement. Under the bill, any carrier aggrieved by her order or decision may appeal to her and request a hearing. Further orders and decisions may be appealed to Superior Court.

EFFECTIVE DATE: January 1, 2018

**BACKGROUND**

**Access Health CT Resolutions**

At its January 26, 2017 board of directors' special meeting, Access Health CT's board passed two resolutions requiring carriers that offer plans through the exchange to pay a commission to an insurance producer who helps consumers enroll in a qualified health plan. The commission must be the same dollar amount as that paid to producers who help consumers enroll in plans sold off the exchange. The resolutions are effective beginning for plans sold in 2018.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 19 Nay 0 (03/09/2017)