



General Assembly

February Session, 2018

Raised Bill No. 374

LCO No. 923



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

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 Section 38a-1080 of the general statutes is repealed and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, 2019*):

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, 2019*) (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, 2019, 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, 2019</i>	38a-1080
Sec. 2	<i>January 1, 2019</i>	New section

Statement of Purpose:

To require health carriers that deliver, issue for delivery, renew, amend or continue a qualified health plan through the exchange to pay a reasonable commission to an insurance producer who assisted an individual or a small employer to evaluate the qualified health plans offered through the exchange and select such a plan.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]