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NCOIL URGES CONGRESS TO EXEMPT AGENT/BROKER FEES IN NEW MLR RULES

Newport, RI, July 17, 2011—In a move to promote competition in and access to health insurance markets, state insurance legislators today supported pending federal legislation to amend new medical loss ratio (MLR) rules established by the Affordable Care Act (ACA). During the Summer Meeting here, members of the NCOIL Executive Committee unanimously adopted a *Resolution in Support of H.R. 1206, The Access to Professional Health Insurance Advisors Act*, which would exempt health insurance agent/broker fees from MLR calculations.

The resolution's sponsor, NCOIL President Rep. George Keiser (ND), said "Health insurance agents and brokers are a vital resource for both consumers and small employers. They not only help consumers navigate through the complex process of benefit shopping, they also help them deal with claims and other reimbursement issues that might arise down the line. Their services are especially needed now, as we all work to understand the complexities of federal reform."

Rep. Keiser added that "By adoption of the resolution, we urge our federal colleagues to act on this very important and timely issue. As our states respond to new ACA requirements, preserving and promoting access in our health insurance markets is essential. Passing this legislation is a significant step towards that end."

As current MLR rules treat agent/broker fees as an administrative—not medical—expenses, H.R. 1206 would remove compensation paid to all licensed insurance producers from the medical loss ratio calculations under the ACA. Per new federal law, insurers must spend at least 80 and 85 percent of premiums collected on medical costs in the small group/individual and large group health insurance markets, respectively.

Executive Committee action on the resolution follows approval by the NCOIL Health, Long-Term Care & Health Retirement Issues Committee on Saturday. NCOIL—in a December 7, 2010, letter from Rep. Keiser on behalf of the NCOIL Executive Committee to the U.S. Dept. of Health and Human Services (HHS)—previously asked that the MLR regulation be amended to exclude the fees.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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