

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS (NCOIL)
Resolution in Support of H.R. 1206,
The Access to Professional Health Insurance Advisors Act

Adopted by the NCOIL Executive Committee on July 17, 2011, and by the Health, Long-Term Care & Health Retirement Issues Committee on July 16, 2011.

Sponsored by Rep. George Keiser (ND)

WHEREAS, the *Patient Protection and Affordable Care Act* ("PPACA") requires health insurers, beginning in 2011, to spend 80 percent of the premiums received for policies sold to individuals and small groups toward medical claims and health quality initiatives; and

WHEREAS, PPACA requires health insurers, beginning in 2011, to spend 85 percent of the premiums received for policies sold to large groups toward medical claims and health quality initiatives; and

WHEREAS, health insurers failing to meet these medical loss ratio requirements must provide rebates to policy holders for premiums paid in the previous year; and

WHEREAS, pursuant to the implementing federal regulations, compensation paid to licensed insurance producers ("agents and brokers") is considered an administrative cost; and

WHEREAS, these medical loss ratio requirements have placed immense pressure on health insurers to reduce administrative costs, including compensation paid to all licensed agents and brokers; and

WHEREAS, all licensed agents and brokers provide a wide range of services for both individual consumers and the business community and interface with insurers, acquire quotes, analyze plan options, and consult clients through the purchase of health insurance; and

WHEREAS, all licensed agents and brokers also provide critical assistance 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 addressing service issues throughout the year; and

WHEREAS, in order to meet these responsibilities, all licensed agents and brokers are required to complete continuing education on an ongoing basis in order to maintain appropriate licenses and this requirement to maintain educational standards helps assure the insured public that agents and brokers remain current with the ever-evolving insurance market; and

WHEREAS, it is essential that all licensed agents and brokers continue to perform these duties, and others, as PPACA has made significant changes to the regulatory environment for health plans; and

WHEREAS, in light of these changes, employers' and consumers' need for such professional guidance will be even greater; and

WHEREAS, it is critical that the indispensable role played by all licensed agents and brokers is recognized and protected without regard to their base of employment or form of remuneration; and

WHEREAS, H.R. 1206, the *Access to Professional Health Insurance Advisors Act of 2011*, would remove compensation paid to all licensed agents and brokers from the medical loss ratio calculations and thereby help reduce the pressures being placed on agent and broker compensation; and

NOW, THEREFORE BE IT RESOLVED that NCOIL strongly urges Congress to enact H.R. 1206, the *Access to Professional Health Insurance Advisors Act of 2011*; and

BE IT ALSO RESOLVED that NCOIL calls on state governors, insurance commissioners, and legislators to urge their respective Congressional delegations to secure the enactment of H.R. 1206, the *Access to Professional Health Insurance Advisors Act of 2011*; and

BE IT FINALLY RESOLVED that a copy of this Resolution be sent to all Members of the 112th Congress and to state legislative leaders, insurance commissioners, and governors.