

MAINE STATE LEGISLATURE

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Date: 4-21-17

(Filing No. H-69)

INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 267, L.D. 361, Bill, "An Act To Ensure Fair Compensation for Licensed Insurance Agents"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 24-A MRSA §2189 is enacted to read:

§2189. Requirements related to enrollment in health plans

1. Definition. As used in this section, unless the context otherwise indicates, "exchange" has the same meaning as in section 2188, subsection 1, paragraph A.

2. Requirements. An insurer that offers a health plan in this State through the exchange or outside of the exchange shall pay a commission to a licensed insurance producer appointed by or contracted with the insurer for the enrollment of an individual or employee in a health plan during any annual or special enrollment period.

A commission paid to a licensed insurance producer appointed by or contracted with the insurer for enrollment in a health plan during any special enrollment period must be equal to the commission paid for enrollment during the insurer's annual enrollment period.

3. Commission on health plan enrollment initially completed during special enrollment period. An insurer may not eliminate, restrict or limit the payment of a commission to a licensed insurance producer appointed by or contracted with the insurer for the enrollment of an individual or employee in a health plan during any annual enrollment period on the basis that the producer was not paid a commission for the enrollment of the same individual or employee by the producer in a prior plan year during a special enrollment period.

Sec. 2. Application. The requirements of this Act apply to all health plans executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2018. For purposes of this Act, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.'

COMMITTEE AMENDMENT

SUMMARY

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This amendment replaces the bill. Like the bill, the amendment requires insurers that offer health plans in this State to pay commissions to licensed insurance producers for enrollments made during annual and special enrollment periods and to pay an equal commission for enrollments made during a special enrollment period. The amendment also prohibits an insurer from eliminating, restricting or limiting the payment of a commission to a producer for enrollment of an individual in a health plan during any annual enrollment period on the basis that the producer was not paid a commission for the enrollment of the same individual by the producer in a prior plan year during a special enrollment period.

The amendment removes the provisions in the bill that require insurers to ensure that only licensed insurance producers and consultants enroll individuals and employees during special enrollment periods and that require that these insurance producers and consultants receive training to recognize potential cases of fraud, waste and abuse related to special enrollment periods. The amendment also removes references to licensed insurance consultants and clarifies that the requirements related to the payment of commissions apply when an insurance producer holds an appointment from or is contracted with the insurer.

The amendment clarifies that the provisions apply to health plans issued or renewed on or after January 1, 2018.