



Pennsylvania Association of Health Underwriters

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Bullets re August 2011 Insurance Department Forums

This document presents thoughts that might help you if you speak at one of the PA Insurance Department's Forums on Health Insurance Exchanges. Speak from your own experience in how you serve your clients' interests. Although the Patient Protection Affordable Care Act establishes the Exchanges, states implement them. If we do not do so by January 1, 2013, HHS will impose an Exchange on PA, very likely with an inflated view of what Navigators do and a reduced role for agents. These Insurance Department Forums will help the Corbett Administration frame its proposal to the General Assembly.

Hints on Making Comments

- Be succinct
- Explain what your practice is such as 'I serve 400 small businesses of under 50 employees'
- What is your bottom line? Think it through ahead of time and even rehearse your remarks to make sure that you are fluent when you speak. A choppy delivery is not as impressive! If you need coaching, please contact Legislative Chair Shelly Bloom 717/412-3004 or Lobbyist Vince Phillips 717/232-0020

Bullets

- **Insurance products must be marketed according to insurance law. Insurance producers are regulated as a regulatory protection against improper marketing practices.** Act 147 states that anyone involved in "sale, solicitation, or negotiation" of insurance contracts be a licensed insurance producer (agent). Exchanges are a vehicle to give people access to insurance products and thus agents must be at the center of "sale, solicitation and negotiation" because it is the law. **Navigators must also be licensed** if they sell, solicit, negotiate or enroll people into an insurance plan through the Exchange. Licensing Navigators via licensing is also more cost effective for the Insurance Department to oversee their work versus creating another system.
- **Cutting agents out of the picture hurts individuals and small businesses.** Licensed insurance agents and brokers help people understand insurance and work with them on what coverage is best for them. **Every question about Exchanges going to an agent is one less question for the Insurance Department to answer, economizing staff resources at the Department.** An interactive web site is useful for information purposes but actual application taking needs personal interaction so that the consumer knows what is being purchased.
- **Insurance Exchange products should not compete with traditional private sector insurance programs on an unlevel playing field. It should help people find private sector coverage.** Exchanges and private sector programs should have the same benefits and pricing schedule.
- **Insurance agents provide an efficient outreach and distribution model for the Exchanges.** Agents and brokers know their communities and see when someone needs access to the Exchange. Personal direct contact makes the difference. And, insurance producers don't send in an application unless it is complete, saving program dollars by reducing insurer/Exchange processing time and cost. Exchange electronic, billboards and print media marketing etc. increase general awareness but do not make a sale.
- **Insurance agents provide a unique service because they make the insurance system work. They interact with customers, health care providers, insurers, and the government** to make sure that people understand coverage as well as trying to get legitimate claims paid. Agents advocacy on behalf of customers because of their unique role will make the Exchanges work more efficiently. If the purpose of the Exchange is to enhance choices, it makes sense to utilize agents who help consumers compare choices. They know the product offerings from carriers and agents are the one place where all available offerings come together with someone to explain.

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