

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 1265

(SENATE AUTHORS: JENSEN and Gazelka)

DATE	D-PG	OFFICIAL STATUS
03/02/2015	499	Introduction and first reading Referred to Commerce
03/18/2015	917	Comm report: To pass
	962	Second reading
04/28/2015		Special Order: Amended Third reading Passed

A bill for an act

1.1 relating to insurance; permitting individuals to contract with an insurance
 1.2 producer to advocate on the individual's behalf with respect to health coverage
 1.3 with an insurance company; regulating payment of commissions by issuers of
 1.4 qualified health plans; amending Minnesota Statutes 2014, sections 60K.31, by
 1.5 adding subdivisions; 60K.48, by adding a subdivision; proposing coding for new
 1.6 law in Minnesota Statutes, chapter 62V.
 1.7

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2014, section 60K.31, is amended by adding a
 1.10 subdivision to read:

1.11 Subd. 1a. **Agent of record.** "Agent of record" means an insurance producer, as
 1.12 defined in subdivision 6, who enters into an agreement with:

1.13 (1) a policyholder who has individual health insurance coverage from an insurance
 1.14 company that the producer represents; or

1.15 (2) an applicant for individual health insurance coverage from an insurance company
 1.16 the producer represents.

1.17 Sec. 2. Minnesota Statutes 2014, section 60K.31, is amended by adding a subdivision
 1.18 to read:

1.19 Subd. 1b. **Agent of record agreement.** "Agent of record agreement" means an
 1.20 agreement documenting the agreement referenced in subdivision 1a, and that is signed by
 1.21 the agent of record and either a policyholder or applicant for individual health insurance
 1.22 coverage.

2.1 Sec. 3. Minnesota Statutes 2014, section 60K.48, is amended by adding a subdivision
2.2 to read:

2.3 Subd. 4. **Qualified health plans.** (a) If a health carrier pays commissions or
2.4 service fees to licensed producers who are appointed by the health carrier for sale of a
2.5 qualified health plan, then, within 30 days of receipt of the agent of record agreement, the
2.6 health carrier must accommodate a policyholder or applicant for coverage by allowing
2.7 a policyholder or applicant to select or change the agent of record, effective upon the
2.8 next premium cycle.

2.9 (b) The health carrier's standard commission and service fees must be paid to the
2.10 policyholder's agent of record or the agent's assignee if any premium rate for a qualified
2.11 health plan has been approved by the commissioner with costs associated with producer
2.12 commissions included in the filed rate.

2.13 (c) A producer may represent an applicant during the enrollment process for
2.14 individual coverage from a health carrier.

2.15 (d) A health carrier is prohibited from offering, renewing, or failing to renew
2.16 qualified health plans based solely on the commission paying status of the health plan.

2.17 (e) Nothing in this subdivision requires a health carrier to pay any commission
2.18 or service fee with respect to the sale of a qualified health plan, unless the rate for the
2.19 qualified health plan has been approved by the commissioner with costs associated with
2.20 producer commissions included in the filed rate.

2.21 Sec. 4. **[62V.051] MNSURE; CONSUMER RETROACTIVE APPOINTMENT**
2.22 **OF A NAVIGATOR OR PRODUCER PERMITTED.**

2.23 Notwithstanding any other law or rule to the contrary, for up to six months after the
2.24 effective date of the qualified health plan, MNsure must permit a qualified health plan
2.25 policyholder, who has not designated a navigator or an insurance producer, to retroactively
2.26 appoint a navigator or insurance producer. MNsure must provide notice of the retroactive
2.27 appointment to the health carrier. The health carrier must retroactively pay commissions
2.28 to the insurance producer if the producer can demonstrate that they were certified by
2.29 MNsure at the time of the original enrollment, were appointed by the selected health
2.30 carrier at the time of the enrollment, and that the policyholder indicates that the insurance
2.31 producer advised them at the time of enrollment.

2.32 Sec. 5. **MNSURE; CONSUMER RETROACTIVE APPOINTMENT OF A**
2.33 **NAVIGATOR OR PRODUCER PERMITTED.**

3.1 Notwithstanding any other law or rule to the contrary, for up to 18 months after the
3.2 effective date of the qualified health plan, MNsure must permit a qualified health plan
3.3 policyholder, who has not designated a navigator or an insurance producer, to retroactively
3.4 appoint a navigator or insurance producer. MNsure must provide notice of the retroactive
3.5 appointment to the health carrier. The health carrier must retroactively pay commissions to
3.6 the insurance producer if the producer can demonstrate that they were certified by MNsure
3.7 at the time of the original enrollment, were appointed by the selected health carrier at the
3.8 time of the enrollment, and that the policyholder indicates that the insurance producer
3.9 advised them at the time of enrollment. This section shall sunset on August 1, 2015.

3.10 **Sec. 6. EFFECTIVE DATE.**

3.11 Sections 1 to 3 and 5 are effective the day following final enactment. Section 4 is
3.12 effective August 1, 2015.