

Draft Pending Adoption

Draft: 6/7/21

Antifraud (D) Task Force
Virtual Meeting
May 25, 2021

The Antifraud (D) Task Force met May 25, 2021. The following Task Force members participated: Trinidad Navarro, Chair (DE); Lori K. Wing-Heier represented by Alex Romero (AK); Alan McClain represented by Crystal Phelps, Pat O’Kelly and Teri Ann Mecca (AR); Evan G. Daniels represented by Paul Hill (AZ); Michael Conway represented by Damion Hughes (CO); Andrew N. Mais represented by Kurt Swan (CT); Doug Ommen represented by Ben Olejnik (IA); Dean Cameron represented by Kyle Cammack (ID); Vicki Schmidt represented by Ryan Morton (KS); Sharon P. Clark represented by Juan Garrett (KY); James J. Donelon represented by Matthew Stewart (LA); Anita G. Fox represented Jill Huisken (MI); Grace Arnold represented by Michael Marben (MN); Chlora Lindley-Myers represented by Carrie Couch and Marjorie Thompson (MO); Troy Downing and Jeannie Keller (MT); Mike Causey represented by Tracy Biehn (NC); Jon Godfread represented by Dale Pittman (ND); Bruce R Ramage represented by Martin Swanson (NE); Chris Nicolopoulos represented by Brendan Harries (NH); Marlene Caride represented by Richard Besser (NJ); Glen Mulready represented by Rick Wagnon (OK); Andrew R Stolfi represented by Stephanie Noren (OR); Raymond G. Farmer represented by Chuck Myers and Michael Bailes (SC); Doug Slape represented by Chris Davis (TX); Jonathan T. Pike represented by Armand Glick (UT); Scott A. White represented by Mike Beavers (VA); and Greg Elam (WV).

1. Adopted its 2021 Spring National Meeting Minutes

Mr. Beavers made a motion, seconded by Ms. Biehn to adopt the Task Force’s March 24, 2020 (*see NAIC Proceedings – Spring 2021, Antifraud (D) Task Force*) minutes. The motion passed unanimously.

2. Adopt a Motion to Create Improper Marketing of Health Plans (D) Working Group

Commissioner Navarro said over the past several months state insurance departments and officials from federal agencies have been meeting on closed conference calls to discuss the improper marketing by various entities of health plans. He said this group was originally created to bring members of (B) and (D) Committees together in effort to share information regarding entities that were improperly marketing health insurance products. Commissioner Navarro said these discussions included the use of lead generators, unsolicited phone calls, internet solicitation and other marketing methods that have been occurring. Commissioner Navarro said due to the importance of these discussion the regulators on these calls have also reached out to include members from federal government groups. Commissioner Navarro said the collaboration between this group has assisted with administrative action being taken against entities and schemes that have been identified.

Commissioner Navarro said in addition these discussions and the actions taken have identified a need to look at and possibly update or created a new model to address the aggressive and improper marketing of health plans and the oversight of lead generators. He said all participating states have agreed.

Commissioner Navarro said there was also a white paper on internet sales which would need to be updated in order to reflect the changes not only on how internet is utilized in today’s society but also how some have utilized this to market plans improperly in ways that was not contemplated a few years ago.

Commissioner Navarro said the next step for the Task Force is to formalize this group as a new Working Group reporting to the Task Force. He said the Working Group will serve two purposes. Commissioner Navarro goal said the first would be to continue the facilitation and engage in discussions about the marketing of health plans that are improper. With the goal to have participation from regulators both at a state and federal level. Commissioner Navarro said the participation of interested regulators would not be limited to members of the Task Force but rather regulators from all areas of expertise including health, market conduct, fraud and legal divisions. Commissioner Navarro said the Working Group will continue to meet in regulator only conference calls.

Commissioner Navarro said the second purpose would be for the Working Group to look at either modifying existing models or creating a new model that addresses the usage of lead generators for sales of insurance products and to update marketing rules to more modernize the regulation of those activities.

Commissioner Navarro said the Task Force was provided in an email with the draft charges for the Working Group soliciting comments. There are two charges that were submitted: 1) Coordinate with regulators, both on a state and federal level, to provide assistance and guidance monitoring the improper marketing of health plans and coordinate appropriate enforcement actions, as needed, with other NAIC Committees, task forces, and working and working groups; 2) Review existing NAIC

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Models and Guidelines that addresses the usage of lead generators for sales of health insurance products and identify models and guidelines that need to be updated or developed to address current marketplace activities. Commissioner Navarro said no comments or suggestions were received prior to today's conference call. Commissioner Navarro with no additional comments or suggestions he would entertain a motion to create this Working Group.

Ms. Biehn made a motion, seconded by Mr. Swanson to create the Improper Marketing of Health Plans (D) Working Group which would report to the Antifraud (D) Task Force. The motion passed unanimously.

Commissioner said the next step will be to present this motion to the D Committee. He said once adopted by the D Committee it would then be presented to the Ex/Plenary for final adoption. Commissioner Navarro said once the Working Group is official, they will reach out to state insurance departments in order to establish the members.

Having no further business, the Antifraud (D) Task Force adjourned.

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