



October 18, 2023

Sent via email: GWelker@naic.org

Trinidad Navarro, Chair
Antifraud (D) Task Force
c/o Greg Welker
Sr. Antifraud and Producer Licensing Program Manager
National Association of Insurance Commissioners
1100 Walnut St, Suite 1500
Kansas City, MO 64106

RE: Proposed Revisions to the Unfair Trade Practices Act (Model 880)

Commissioner Navarro,

Thank you for the opportunity to comment on the proposed revisions to the Unfair Trade Practices Act (Model 880). While we appreciate the efforts of the Improper Marketing of Health Insurance (D) Working Group to date, we believe opportunities exist to further strengthen the regulatory oversight of health insurance lead generators contemplated in the revisions to this model.

The current definition of “Health Insurance Lead Generator” is too broad and inadvertently encompasses several persons who are not acting as lead generators. For example, an employer providing information about available health plan choices to its employees would be a health insurance lead generator as it is currently defined. Routine activities of non-licensed or regulated entities such as a State Health Insurance Program (SHIP) providing Medicare information and counseling services would also be considered a health insurance lead generator. Given the importance of the definition of a health insurance lead generator in the proposed revisions to the model, we believe additional refinement is necessary. Suggestions for revising the definition of “Health Insurance Lead Generator” are included in the attached document.

The addition of a provision in Section 4 on “Failure to Maintain Marketing and Performance Records” specific to health insurance lead generators appears redundant. In lieu of adding a new provision, we suggest that the scope of the existing “Failure to Maintain Marketing and Performance Records” provision be expanded to include health insurance lead generators. Suggestions on how to combine the two nearly identical provisions are included in the attached document.

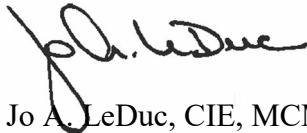


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As currently drafted, we do not believe the model provides states sufficient authority to effectively regulate health insurance lead generators. While the revisions define what constitutes a health insurance lead generator and impose regulatory requirements on these entities, the sections of the model granting states authority over entities covered by the model have not been extended to include health insurance lead generators. We believe Sections 6 – 11 of the model should be revised to provide explicit regulatory authority over these entities. Suggestions on how these sections could be revised to include ‘health insurance lead generators’ are included in the attached document.

Again, thank you for the opportunity to provide comments on the proposed revisions to Model 880. I am happy to provide further details related to our concerns during the upcoming task force meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Jo A. LeDuc". The signature is written in a cursive style with a large initial "J" and "L".

Jo A. LeDuc, CIE, MCM, CPCU, FLMI, AIDA
Director, Insurance Market Regulation Division