

**NAIC CONSUMER REPRESENTATIVE COMMENTS
ON MODEL 880 AMENDMENTS DRAFT #3**

To: Martin Swanson, Chair and Frank Pyle, Vice Chair Improper Marketing of Health Insurance (D)
Work Group

Greg Welker, Senior Antifraud Producer Licensing Program Manager

Date: July 24, 2023

Re: Amendments to Model 880 Draft #3– Unfair Trade Practices Act

Dear Chair Swanson, Vice Chair Pyle, Greg Welker, and Members of the Working Group:

The undersigned NAIC Consumer Representatives applaud your efforts to address the abuse of lead generators in the sale of health insurance products. In particular, we support the inclusion of such entities in the prohibition of unfair trade practices (section 3).

While we had hoped to see the model adopt stronger standards for insurer responsibility for downstream entities, we appreciated the careful and deliberative process the working group has undertaken and believe this is an important first step towards protecting consumers.

As stated in our previous comments to this Work Group, it is critical that Model 880 address the inappropriate marketing practices of health insurance lead generators that have been documented by many studies and consumer reports. To ensure that the model act fully applies to these entities, we recommend a small change to the definition of “person”. This will allow regulators full authority to regulate health insurance lead generators who engage in unfair trade practices as defined in the model.

H. “Person” means a natural or artificial entity, including but not limited to, individuals, partnerships, associations, trusts, or corporations, including health insurance lead generators.

Again, we thank you for your work on this important matter and look forward to working with the committee in the future.

Sincerely,

Ashley Blackburn

Bonnie Burns

Lucy Culp

Deborah Darcy

Yosha Dotson

Shamus Durac

Eric Ellsworth

Marguerite Herman

Anna Schwamlein Howard

Maanasa Kona

Colin Reusch

Carl Schmid

Matthew Smith

Harry Ting

Wayne Turner

Silvia Yee