August 27, 2018

J.P. Wieske
National Association of Insurance Commissioners
Accident and Sickness Insurance Minimum Standards (B) Subgroup
Deputy Commissioner, Wisconsin Department of Insurance
125 South Webster Street
Madison, WI 53703

RE: Draft Revisions to the Accident and Sickness Insurance Minimum Standards Model Act

Dear Mr. Wieske:

I am writing on behalf of The National Association of Health Underwriters (NAHU), a professional association representing more than 100,000 licensed health insurance agents, brokers, general agents, consultants and employee benefit specialists. I am pleased to provide the following comments from NAHU members on the draft revisions to Model 170, The Accident and Sickness Insurance Minimum Standards Model Act.

In Section Three, which defines terms, NAHU notes that the drafting note to Subsection J needs to be revised to reflect the final federal regulation on short-term, limited-duration insurance that was published in the Federal Register on August 3, 2018. NAHU believes that the drafting note should address the fact that the federal regulation now allows for limited-duration, short-term policies of a maximum duration of up to 364 days. It also should specify that the final federal regulation in no way precludes a state from adopting a requirement that reduces the duration of such policies, nor does it preempt any existing state requirement regarding the duration of an ancillary short-term policy.

Similarly, in Section Six, the language on required disclosures in Subsections J and K and their related drafting notes should be updated to reflect the notice content requirements in the final federal rule on short-term, limited-duration health coverage policies. NAHU believes that the related drafting notes should continue to reflect the fact that various states may have different and more extensive notice requirements for ancillary short-term limited-duration health coverage.

Finally, NAHU offers two technical corrections to Section Six, Subsection B. First, the model language in this section refers to the sale of a policy through an “agent.” To make the model consistent with state licensing requirements and related definitions, NAHU believes that the term agent should be changed to “licensed producer.”
The second change we propose to Subsection B relates to the most recent change to Section Six, Subsection G. NAHU appreciates new language in Subsection G that clarifies that health insurance carriers do not have to provide the outline of coverage to group certificate holders if they meet the requirements outlined in that section. However, we believe that this clarification warrants a change to Subsection B to reflect how the outline of coverage must be distributed if the policy is sold through a licensed independent insurance producer.

NAHU proposes revisions to Subsection B as follows:

If the sale of a policy described in Subsection A occurs through an agent, a licensed independent insurance producer, the outline of coverage shall be delivered to the individual applicant at the time of application or, in the case of group ancillary health insurance coverage, group ancillary dental coverage, or group ancillary visions coverage, to the certificate holder at the time of enrollment, provided that the conditions outlined in subsection G are met.

NAHU greatly appreciates the work of the subgroup during the past two years on this model, and your willingness to continuously consider stakeholder feedback through the subgroup’s deliberations. We look forward to continuing to be a part of that process. If you have any questions about these specific comments, or if we can be of further assistance to you, please feel free to contact me at (703) 496-0796 or Jessica@forwardhealthconsulting.com.

Sincerely,

Jessica Fulginiti Waltman
Principal, Forward Health Consulting

CC: Jolie Matthews, NAIC Senior Health & Life Policy Advisor & Counsel