

CHAPTER 58--S.F.No. 1265

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notwithstanding any other law or rule to the contrary, for up to six months after the effective date of the qualified health plan, MNSure must permit a qualified health plan policyholder, who has not designated a navigator or an insurance producer, to retroactively appoint a navigator or insurance producer. MNSure must provide notice of the retroactive appointment to the health carrier. The health carrier must retroactively pay commissions to the insurance producer if the producer can demonstrate that they were certified by MNSure at the time of the original enrollment, were appointed by the selected health carrier at the time of the enrollment, and that an agent of record agreement was executed prior to or at the time of the effective date of the policy. MNSure must adopt a standard form of agent of record agreement for purposes of this section.

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

Notwithstanding any other law or rule to the contrary, MNSure must permit a policyholder, who has not yet designated a navigator or an insurance producer, to retroactively appoint a navigator or insurance producer by August 1, 2015, for a qualified health plan purchased by the policyholder through MNSure with a coverage effective date of January 1, 2015, to July 31, 2015. MNSure must provide timely notice of the retroactive appointment to the health carrier. The health carrier must retroactively pay commissions to the insurance producer if the producer can demonstrate that they were certified by MNSure at the time of the original enrollment, were appointed by the selected health carrier at the time of the enrollment, and that the policyholder indicates that the insurance producer advised them at the time of enrollment. This section shall sunset on August 1, 2015.

Sec. 6. EFFECTIVE DATE.

Sections 1 to 3 and 5 are effective the day following final enactment. Section 4 is effective August 1, 2015, and applies with respect to qualified health plans with an effective date on or after that date.

Presented to the governor May 16, 2015

Signed by the governor May 19, 2015, 4:00 p.m.