



## Insurance Department

TODD E. KISER  
*Insurance Commissioner*

### State of Utah

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# BULLETIN 2018-1

**TO:** Health Insurers Offering Individual and Small Employer Group Health Benefit Plans  
**FROM:** Todd E. Kiser, Insurance Commissioner  
**DATE:** January 2, 2018  
**SUBJECT:** Producer Compensation

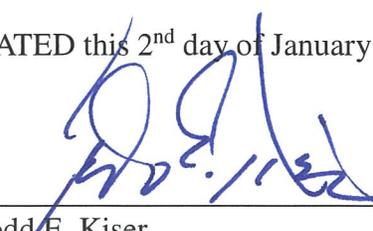
This Bulletin applies to a health insurer who offers an individual or small employer health benefit plan. This Bulletin provides guidance to a health insurer regarding compensation provided to a producer in connection with an individual or small employer health benefit plan.

As stated in Utah Administrative Code (UAC) Rule R590-176-4, it is a violation of Utah Code Annotated § 31A-30-108 to selectively or unfairly delay, obstruct or otherwise hinder any person from obtaining an individual or small employer health benefit plan. Additionally, 45 CFR 147.104(e) and 156.225(b) prohibits marketing practices that have the effect of discouraging the enrollment of individuals with significant health needs.

It has come to the attention of the Insurance Department that some insurers may have elected to pay commissions for individuals or small employers enrolling during open enrollment, but have elected to not pay any compensation during special enrollment periods. A producer compensation schedule that directly or indirectly creates a hindrance or barrier to access coverage for individuals or small employers is considered a violation of UAC Rule R590-176-4. An insurer must have a similar compensation structure for both open enrollment and a special enrollment period.

A health insurer may implement other measures to discourage producers from inappropriate placements of coverage as long as the measures are applied uniformly and without regard to the enrollment period, an individual's health status, or the plan selection.

DATED this 2<sup>nd</sup> day of January 2018.



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Todd E. Kiser  
Insurance Commissioner