

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB568

Hearing Date: Tuesday February 19, 2013
Committee On: Banking, Commerce and Insurance
Introducer: Harr
One Liner: Provide for licensure of insurance navigators

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Campbell, Carlson, Crawford, Gloor, Howard, Pirsch, Schumacher
Nay:		
Absent:	1	Senator Christensen
Present Not Voting:		

Proponents:

Senator Burke Harr
Bruce Ramage
Wes Bissett

Dennis Butler
Mark Kolterman
Joe Elliott

Opponents:

Rebecca Rayman
Jon Bailey
Mark Intermill
James Goddard

Neutral:

Representing:

Introducer
NE Department of Insurance
Independent Insurance Agents of NE; Independent Insurance Agents and Brokers of America
NE Association of Health Underwriters
NAIFA-NE
Professional Insurance Agents of NE

Representing:

Health Center Association of NE
Center for Rural Affairs
AARP
Nebraska Appleseed

Representing:

Summary of purpose and/or changes:

OVERVIEW

LB568 (B. Harr, Carlson) would enact nine new sections to provide for regulation by the Director of Insurance of individuals and entities applying for and acting as navigators with regard to a health benefit exchange established pursuant to the federal Patient Protection and Affordable Care Act, including an exchange established by the United States Department of Health and Human Services.

SUMMARY

The bill would provide, section by section, as follows:

Section 1 would provide for definitions of "exchange" and "navigator."

Section 2 would provide that no individual or entity may act as a navigator in this state unless licensed as a navigator by

the Director of Insurance. This section would provide that a navigator shall not: (a) engage in any activities that would require an insurance producer license; (b) provide advice concerning the benefits, terms, and features of a particular health plan or offer advice about which health plan is better or worse for a particular individual or employer; (c) recommend or endorse a particular health plan; or (d) provide information or services related to health benefit plans not offered in the exchange.

Section 3 would provide for application for issuance of a navigator license by the Director of Insurance. This section would require an individual applicant to complete the prelicensing training and course of study prescribed by the director. This section would require an individual applicant to submit fingerprints, complete a criminal history and regulatory record check, and obtain a surety bond.

Section 4 would provide for expiration and renewal of a navigator license.

Section 5 would provide that on contact with a person with existing health insurance coverage obtained through an insurance producer, a navigator shall refer the person back to that insurance producer.

Section 6 would provide for enforcement sanctions by the Director of Insurance, including fines not to exceed five thousand dollars and restitution. This section would authorize the director to examine and investigate the business affairs and records of a navigator.

Section 7 would provide that a navigator shall report administrative actions and criminal prosecutions to the Director of Insurance.

Section 8 would provide that the requirements of the Unfair Insurance Trade Practices Act apply to navigators and that the provisions of this bill do not apply to any individual or entity licensed as an insurance producer.

Section 9 would provide the Director of Insurance with rule and regulation authority.

Explanation of amendments:

The committee amendments would become the bill. As amended, the bill would provide, section by section, as follows:

Section 1 would provide for a named act: the Health Insurance Exchange Navigator Licensure Act.

Section 2 would provide for definitions of "director," "exchange," and "navigator."

Section 3 would provide that no individual or entity shall perform or advertise services as a navigator unless licensed as a navigator by the Director of Insurance. This section would provide that a navigator may: conduct public education activities; distribute fair and impartial general information concerning enrollment in qualified health plans offered in the exchange and public insurance programs offered through the exchange; facilitate enrollment in qualified health plans without suggesting a particular plan, and facilitate enrollment in public insurance programs offered through the exchange; provide referrals to appropriate state or federal agencies; and provide information in a culturally and linguistically appropriate manner. This section would provide that a navigator shall not: engage in any activities that would require an insurance producer license; offer advice about which health plan is better or worse for a particular individual or employee; recommend or endorse a particular health plan or advise consumers about which health plan to choose; provide information or services related to health plans not offered in the exchange; accept compensation dependent on whether a person enrolls in or purchases a qualified health plan; or fail to respond to an inquiry from the director.

Section 4 would provide that only a licensed insurance producer or consultant can: sell, solicit, or negotiate health insurance; provide advice concerning benefits, terms, and features of a particular health plan or offer advice about which

health plan is better or worse for a particular individual or employer; or recommend a particular health plan or advise consumers about which health plan to choose.

Section 5 would provide for application for issuance of individual and entity navigator licenses. This section would provide for an initial individual navigator license fee in an amount not to exceed fifty dollars as established by the director and an initial entity navigator license fee in an amount not to exceed one hundred dollars as established by the director. This section would require individual applicants to pass an examination and would authorize the Director of Insurance to make arrangements, including contracting with an outside testing service, for administering examinations. This section would require licensed entity navigators to periodically provide the director with a list of all individual navigators that it employs, supervises, or is affiliated with.

Section 6 would provide for renewal of individual and entity navigator licenses. This section would provide that individual and entity navigator licenses would be issued for two years. This section would provide for an individual navigator license renewal fee in an amount not to exceed fifty dollars and a late fee in an amount not to exceed seventy five dollars as established by the director. This section would provide for an entity navigator license renewal fee in an amount not to exceed one hundred dollars and a late fee in an amount not to exceed one hundred twenty-five dollars as established by the director. This section would provide that, as a condition of renewal, individual navigators shall comply with ongoing training and continuing education requirements.

Section 7 would provide that on contact with an individual who acknowledges having existing health insurance coverage obtained through a licensed producer, a navigator shall inform the individual that he or she may seek further assistance from that or another producer.

Section 8 would provide for enforcement sanctions by the Director of Insurance including fines not to exceed one thousand dollars. This section would authorize the director to examine and investigate the business affairs and records of a navigator.

Section 9 would provide that the provisions of this bill do not apply to any individual or entity licensed as an insurance producer.

Section 10 would provide the Director of Insurance with rule and regulation authority.

Section 11 would provide for severability.

Section 12 would provide for the emergency clause.

Mike Gloor, Chairperson