

New York State Insurance Department
Public Forum on the
**Establishment of a Health Insurance
Exchange in New York**

May 17, 2011
Syracuse, NY

Comments submitted by:
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Thank you for the opportunity to comment. My name is Kathy Weinheimer and I am the Senior Vice President of Industry Relations for the Independent Insurance Agents & Brokers of New York. We are a statewide trade association headquartered in DeWitt representing independent insurance agents and brokers. I speak today on behalf of our 1,750 member agencies and their 13,000 plus employees. We are also a member of an industry coalition representing six producer trade associations concerned with health care reform in New York State. The two main points I would like to make are the important role that insurance producers play in the health care transaction and the importance of giving consumers the option of utilizing the professional services of an insurance producer when buying insurance through a health insurance exchange if they so choose.

Insurance producers play an indispensable role in helping individuals and small business customers to navigate the complex landscape of health insurance and its many plans and options. Licensed insurance professionals bring unmatched experience and expertise to the process and serve the best interests of consumers. Not only do producers help to explain the different health insurance options so that consumers purchase the appropriate health insurance plan, but they are there to provide other valuable services long after the policy has been purchased, including assisting customers with claims and billing issues, and enrollment of new employees. Small businesses and individuals simply do not have the expertise or the time to select the best insurance plan, so they rely heavily on insurance producers to help them. The health insurance exchange should allow consumers to purchase insurance the same way they do today—with the help of a insurance professional if they so choose. The federal Affordable Care Act recognizes the benefits provided to consumers by the agent and broker community and expressly permits

producers to enroll individuals and small groups in plans offered through exchanges and to help consumers apply for any applicable tax subsidies. We believe that New York's exchange should allow producers to provide these valuable services and allow interested consumers the ability to contact and work with a qualified producer.

Health consumers should not be penalized, either by cost of premium or health plan benefits, for choosing to use the services of a licensed insurance agent, broker or consultant, either within or outside of the exchange. Benefits and rates should be the same, regardless of whether an insurance agent, broker or consultant is involved.

Anyone operating within the exchange who advises consumers with regard to health plan rates, covered benefits, claims services, and so on, should hold a valid New York State insurance license. The producer licensing system in New York has protected consumers for many years by ensuring that only competent and qualified professionals are authorized to sell, solicit or negotiate insurance and we believe that these strong mandates must continue to apply to all exchange-related activities and enrollments.

The exchange should allow for fair compensation to producers, similar to health plans outside the exchange, in the form of commission or fees. A resolution¹ by the National Association of Insurance Commissioners (NAIC), including our own Superintendent of Insurance Jim Wrynn, noted that it is essential that any new exchange provide licensed producers the opportunity to

¹ NAIC Resolution to Protect the Ability of Licensed Insurance Professionals to Continue to Serve the Public, Adopted August 17, 2010

compete fairly, provide the level of service and responsiveness expected by clients and be adequately compensated for the services they provide.

In closing, producers play a critical role in today's health insurance marketplace and must be recognized and acknowledged as the framework for New York's health insurance exchange is developed. The success of a health insurance exchange in New York depends in part on consumers making the best possible choices and this cannot be accomplished if consumers are denied the ability to seek help from a licensed insurance producers.

Thank you for the opportunity to provide comments today.