NATIONAL ASSOCIATION OF PROFESSIONAL INSURANCE AGENTS
Local Agents Serving Main Street America℠

September 30, 2014

Greg Welker
NAIC Market Regulation Division
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, Missouri 64016-2197

RE: State Licensing Handbook Exposure Draft of Chapter 31 - State-Based Health Benefit Exchanges

Dear Mr. Welker,

On behalf of the National Association of Professional Insurance Agents (PIA), I write to offer our association's comments concerning the recently exposed draft chapter of the state licensing handbook relating to the certification and training standards for health insurance navigators, non-navigator assistance personnel and certified application counselors (CACs). PIA appreciates the considerable effort that has gone into drafting this chapter, and we are grateful for the opportunity to provide the independent agent perspective on this important issue.

While it is our understanding that the drafting of Chapter 31 has been tabled awaiting potential new or amended federal laws and regulations on the subject, we would nonetheless like to provide comments and recommendations. Specifically, we wish to address two portions of the section entitled "Best Practices for State Health Benefits Exchanges." We hope that our comments will be of assistance to the Producer Licensing (EX) Working Group if the decision is made to take further action on the development of Chapter 31.

Paragraph three of the section states that "the certification requirements for individuals acting as navigators, non-navigator personnel and CACs should be consistent with the licensing requirements of insurance producers." PIA supports robust consumer protection standards for navigators, non-navigator personnel and CACs, such as fingerprint-based background checks. However, navigators, non-navigator personnel and CACs are not permitted to sell, solicit or negotiate insurance unless they are also licensed insurance producers. PIA believes the language referencing insurance producers could cause confusion as to what certification or licensing standards are appropriate for navigators, non-navigator personnel and CACs who are not also licensed insurance producers. PIA suggests removing the phrase, "should be consistent with the licensing requirements of insurance producers," from the chapter and replacing it with "should be robust enough to protect the public."

In the final paragraph of the section the draft states that state regulation should keep out and remove bad actors from becoming navigators, non-navigator assistance personnel and CACs "in the same manner as they have in place insurance producers and other licensees." While PIA believes that any

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regulation to police bad actors must be robust, states license many different types of individuals and companies and regulation must be appropriate for the specific type of licensee. Navigators, non-navigator assistance personnel and CACs, who are not insurance producers, play a fundamentally different role in the state exchanges than producers. Consequently, states should be able to tailor enforcement requirements, within HHS guidelines, as appropriate and these requirements may differ from those for insurance producers or other licensees. PIA recommends that this language be removed.

PIA thanks you for the opportunity to offer these comments and provide recommendations. Please feel free to email me at jennwe@pianet.org or call me at 703-518-1344 if you have any questions or concerns.

Kind Regards,

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National Association of Professional Insurance Agents