



Help Protect Your Constituents Through Health Insurance

2016

What Agents Do

Whether being purchased through the health insurance exchanges created by the Affordable Care Act (ACA) or private plans, professional, licensed independent insurance agents and brokers guide consumers through a complicated process. Agents provide quotes, scrutinize plans, and ensure that consumers consider the best options available to them. Unfortunately, with the passage of the ACA, agents have encountered serious obstacles that prevent them from doing their job, namely delivering vital health plans to consumers.

The Issue: Agent Compensation in Healthcare Slashed

The ACA implemented a requirement called the medical loss ratio (MLR). The MLR is designed to limit the amount a health insurance company can spend on administrative costs. PIA agrees with this goal; however, the MLR requirement has been interpreted in a way that has resulted in unstable reductions to agent compensation. In 2012 alone, \$300 million in agent compensation was lost due to this policy. As a result, many agents have been forced out of the health market, leaving consumers without guidance in selecting health plans.

How You Can Help Defend Agent Compensation

- ✓ **COSPONSOR** the bipartisan **Access to Professional Health Insurance Advisors Act** (H.R. 815/S. 1661), introduced by Representatives Billy Long (R-MO) and Kurt Schrader (D-OR); and Senators Johnny Isakson (R-GA) and Chris Coons (D-DE).
 - The legislation provides that certain compensation for agents and brokers is exempt from the MLR calculation under the healthcare law.

The Issue: Future of Employer-Based Health Coverage in Doubt

Millions of middle class individuals rely on health insurance obtained through employer-sponsored health plans. A provision in the ACA, often referred to as the “Cadillac Tax,” is intended to lower healthcare costs by imposing a 40% excise tax on “overly generous” employer

plans. However, recent studies have shown that the tax will actually impact the vast majority of plans as time goes on.

How You Can Help **Defend Employee Health Plans**

- ✓ **COSPONSOR** the **Middle Class Health Benefits Tax Repeal Act** (H.R. 2050/S. 2045), introduced by Rep. Joe Courtney (D-CT) and Senator Dean Heller (R-NV).
 - The legislation will repeal this harmful tax, the implementation of which has been pushed back to 2020 due to bipartisan opposition to it and concern over the damage it will cause.



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