



Dedicated Sales Force

April 8th, 2013

Essential Question: Should carrier dedicated sales teams be allowed to offer Exchange products to Coloradans?

Goals/Objectives of COHBE:

- Support SB 11-200 intent to increase access, affordability and choice for individuals and small employers purchasing health insurance in Colorado.
- To provide consumers who choose to purchase health plans directly through a carrier's dedicated sales force with the opportunity to enroll via COHBE and potentially qualify for premium tax credits through the COHBE shared eligibility system.

Background

It is estimated that 30% to 50% of individual health insurance policies are purchased by consumers who contact carriers directly for information and plan enrollment. Additionally, a relatively small but significant fraction of small group policies are purchased directly through carriers' dedicated sales efforts. The exact percentage of consumers who purchase insurance in this way varies by carrier. Consumers who enter the market by directly contacting a carrier should still be afforded an opportunity to access their potential subsidy eligibility.

Dedicated carrier sales teams currently sell to Colorado consumers who choose to work directly with a carrier rather than to employ the services of a broker. There is currently no premium difference between the premiums of health plans purchased directly from a carrier compared to purchase through a broker. The decision to contact and purchase from a carrier is strictly a matter of consumer choice.

Guiding Principles

- COHBE should honor a consumer's choice to seek coverage directly utilizing a carrier's dedicated sales team.
- Consumers who purchase health plans through a carrier's dedicated sales efforts should be able to access information about and qualify for financial assistance that may apply to them or their family members.
- All consumers should have access to information about their right to review and compare all health plans available through COHBE.
- Carriers will conduct exchange training of their dedicated sales force with COHBE developed curriculum and COHBE oversight.

Recommendation

- COHBE should allow Exchange QHPs to be offered to consumers via carrier dedicated sales teams.
- COHBE will work with the Division of Insurance in any disclosure notifications that they require of carriers to send to consumers. Consumers will also be notified that they have the option to provide their financial information directly to the Exchange.