

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 697**

(SENATE AUTHORS: UTKE)

DATE  
02/06/2017

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OFFICIAL STATUS  
Introduction and first reading  
Referred to Health and Human Services Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to insurance producers; regulating payment of commissions by issuers of
- 1.3 individual health plans; amending Minnesota Statutes 2016, sections 60K.31, by
- 1.4 adding a subdivision; 60K.48, subdivision 4.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2016, section 60K.31, is amended by adding a subdivision
- 1.7 to read:
- 1.8 Subd. 4a. **Individual health plan.** "Individual health plan" means a health plan as defined
- 1.9 in section 62A.011, subdivision 4.
- 1.10 Sec. 2. Minnesota Statutes 2016, section 60K.48, subdivision 4, is amended to read:
- 1.11 Subd. 4. ~~Qualified~~ **Individual health plans.** (a) If a health carrier pays commissions
- 1.12 or service fees to licensed producers who are appointed by the health carrier for sale of a
- 1.13 ~~qualified~~ an individual health plan, then, within 30 days of receipt of the agent of record
- 1.14 agreement, the health carrier must accommodate a policyholder or applicant for coverage
- 1.15 by allowing a policyholder or applicant to select or change the agent of record, effective
- 1.16 upon the next premium cycle.
- 1.17 (b) The health carrier's standard commission and service fees must be paid to the
- 1.18 policyholder's agent of record or the agent's assignee if any premium rate for a ~~qualified~~ an
- 1.19 individual health plan has been approved by the commissioner with costs associated with
- 1.20 producer commissions included in the filed rate.
- 1.21 (c) A health carrier is prohibited from offering, renewing, or failing to renew ~~qualified~~
- 1.22 individual health plans based solely on the commission-paying status of the health plan.

2.1 (d) Nothing in this subdivision requires a health carrier to pay any commission or service  
2.2 fee with respect to the sale of a ~~qualified~~ an individual health plan, unless the rate for the  
2.3 ~~qualified individual~~ health plan has been approved by the commissioner with costs associated  
2.4 with producer commissions included in the filed rate.

2.5 Sec. 3. **EFFECTIVE DATE.**

2.6 Sections 1 and 2 are effective January 1, 2018.