

Market Conduct Survey

TO: ALL HEALTH INSURANCE ISSUERS AND HEALTH MAINTENANCE ORGANIZATIONS

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: MARKET CONDUCT SURVEY

DATE: December 12, 2014

This survey is intended to monitor compliance with Act 283 of the 2013 Regular Legislative Session, which amended La. R.S. 22:855(H) and enacted 22:1568, and with Advisory Letter 2014-01, issued by the Louisiana Department of Insurance (LDI) on May 2, 2014. All insurers licensed to write health insurance in the state of Louisiana are required to complete this survey and return it to LDI no later than Friday, January 9, 2015. Failure to accurately complete this survey may subject issuers to sanctions under Title 22 of the Louisiana Revised Statutes of 1950. Issuers need not attach or otherwise submit copies of their commission schedules in response to this survey.

*1. Please enter contact info:

Name of Person

Responding:

Company Name:

Phone Number for Person

Responding:

Email for Person

Responding:

*2. Do you issue or issue for delivery any policy or contract of health insurance in this state which would constitute major medical health insurance coverage (1) ?

☐ YES

☐ NO

(1) Although major medical health insurance coverage may not be expressly defined by the Louisiana Insurance Code, the concept is discernible from both the context and structure of both state and federal laws and regulations. If a particular form of health insurance coverage is subject to the requirements of the Health Insurance Portability and Accountability Act of 1996 (for example, with respect to the guaranteed availability and guaranteed renewability provisions of said act), and especially if a particular form of health insurance coverage is subject to the requirements of Title I of the Affordable Care Act, then it can be properly said to be "major medical" health insurance coverage. Limited benefits products, supplemental insurance products, or other forms of expected benefits or income replacement do not constitute major medical coverage.

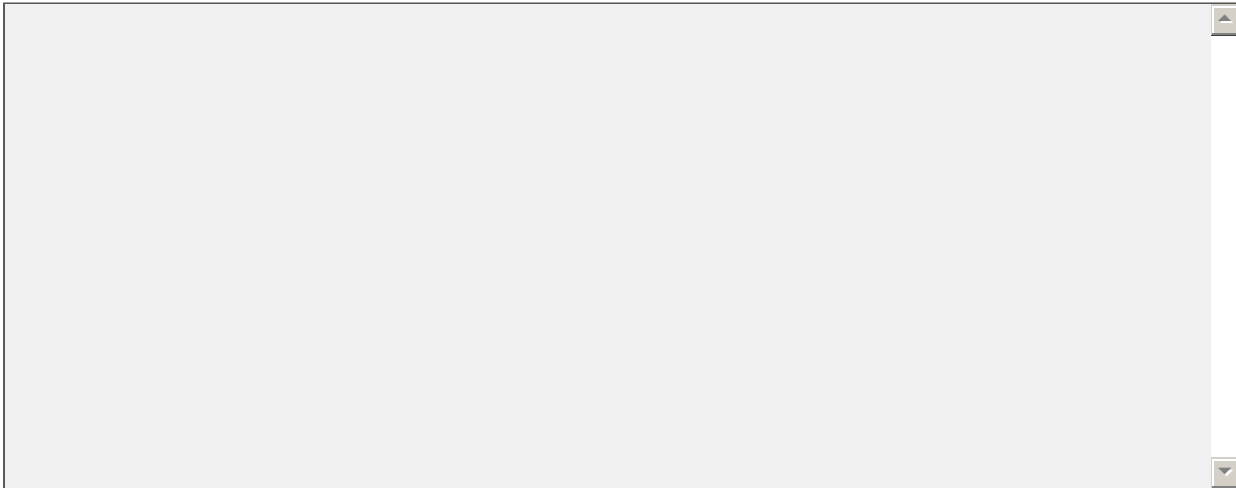
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***3. Act 283 of the 2013 Regular Sessions requires that an issuer establish "one or more" schedules of commission(s) for the sale of each "health insurance product." Advisory Letter 2014-01 interpreted the phrase "health insurance product" as major medical insurance coverage. As an issuer, have you established one or more schedules of commission for each of the major medical health insurance products issued or issued for delivery by you in this state?**

☐ YES

☐ NO

***4. Please explain how you monitor for compliance with both statute, La. R.S. 22:1568, and Advisory Letter 2014-01, by identifying the business or administrative practices that ensure that the commission schedules are "uniformly applied to all producers within the same schedule".**



***5. As an issuer, have you established performance criteria for the payment of incentive compensation in excess of or in addition to your commission schedule(s)?**

☐ YES

☐ NO

☐ This issuer does not award incentive compensation.

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***6. Please explain how you monitor for compliance with the requirement that such incentive compensation is awarded in compliance with Advisory Letter 2014-01.**

***7. As an issuer, do you collect or intend to collect agency fees authorized under La. R.S. 22:855 on behalf of health producers or brokers?**

☐ YES

☐ NO

***8. Please provide a description of the process(es) employed or to be employed by you to ensure that i) no insurance policy or coverage for an enrolled shall be terminated for failure to remit payment of an agency fee and ii) no agency fees shall be deposited into the ordinary or general operating accounts you maintain, which might subject such deposits to treatment as premium.**

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Certification

I HEREBY CERTIFY TO THE BEST OF MY KNOWLEDGE AND BELIEF that the information being provided to the Louisiana Department of Insurance is true and correct. I have been authorized to provide this information. This certification shall have an evidentiary effect for any regulatory action provided for in Title 22 of the Louisiana Revised Statutes of 1950, if it is later found that the information being provided is not a true and correct representation by the health insurance issuer or health maintenance organization.

***9. Please type your initials here if you agree to the above information**