

AGENT DRAFT PROPOSED REGULATIONS

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Agent Proposed Regulation Timeline

Activity	Proposed Timeline
Advisory Group Review Agent Regulations	August 15-16
Stakeholders Review of Agent Regulations	August 15-16
Board Meeting (Discussion of Proposed Regulations)	August 22
Additional Stakeholder Webinar to Review Agent Regulations	August 26- September 6
Board Meeting (Approval of Proposed Regulations)	September 19

Draft Proposed Agent Regulations

Article and Sections of the Draft Proposed Agent Regulations:

Article 9. Certified Insurance Agents	
Sections:	Table of Contents:
§ 6800	Definitions
§ 6802	Eligible Individuals
§ 6804	Agent Certification Application
§ 6806	Training Standards

Certified Insurance Agents

Summary of § 6802 Eligible Individuals

- All individuals who are licensed and in good standing as a life licensee under Insurance Code Section 1626 by the California Department of Insurance to transact in accident and health insurance are eligible to apply to become a Certified Insurance Agent.
- The Exchange may require proof of a current or valid license by the California Department of Insurance as a condition of eligibility.

Certified Insurance Agents

Summary of § 6804 Agent Certification Application

- To become a Certified Insurance Agent, an individual shall create an Agent Profile in CalHEERS.
- Individuals who complete the training requirements shall submit payment, a signed Agent Agreement, and provide proof of errors and omissions insurance
- Upon successful completion the above, the individual shall be designated as Certified Insurance Agent by the Exchange.

Outstanding Issue: [Approved Agent Agreement](#)

Certified Insurance Agents

Summary of § 6806 Training Standards

- Individuals shall complete training prior to becoming certified
- Agent shall pass an exam administered by the Exchange
- A passing score shall be at least 80%

Agent Agreement

- Feedback Received from Select Stakeholders
- Engage Stakeholders in a Webinar (August/September)
- Present Agent Agreement at September Board Meeting
- Several Outstanding Issues Currently Under Review
 - Agent of Record Change Procedures
 - “First Lien” to Collect Funds from Agent
 - Permanent Decertification
 - User Fees Contingency Clause
 - Indemnification

Proposed SHOP Agent Commission Schedule

SHOP Agent Commission Schedule:

The following is the vested Agent Commission Schedule for new SHOP business effective January 1, 2014 and later. SHOP commissions paid by Covered CA. Also, if the commission schedule were to change in the future, it would only apply to new business written on or after the effective date of the change.

Policy Life	Commission Rate
Year 1	6.5%
Year 2	6.2%
Year 3	5.9%
Year 4	5.6%
Year 5	5.3%
Year 6 (& thereafter)	5.0%

Note:

When annualized premium for a particular case (group) reaches \$500,001 or more in a contract year, the commission rate is dropped to 1.0% for that case (group) only for the amount above \$500,001.