

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 293

PRINTER NO. 304

AMOUNT

No Significant Fiscal Impact

FUND

General Fund

DATE INTRODUCED

January 20, 2015

PRIME SPONSOR

Senator Eichelberger

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 293 creates the Navigator Accessibility and Regulation Act to provide for a regulatory framework for navigators and a state registration process with the Pennsylvania Insurance Department including a criminal background check.

Registration:

An individual or organization may not advertise a service as a navigator or an exchange assister or operate in this Commonwealth as a navigator or an exchange assister without first registering with the Insurance Department.

Navigators must complete an application developed by the Insurance Department. Prior to approving an application, the commissioner must determine that the applicants have met the following requirements:

- (1) Is at least 18 years of age.
- (2) Resides in this Commonwealth or maintains a principal place of business in this Commonwealth.
- (3) Is not disqualified for having committed an act that would be grounds for denial, suspension or revocation of a license as a health insurance producer.
- (4) Has not had a license as a health insurance producer denied, suspended or revoked.
- (5) Has submitted a completed application.
- (6) Has submitted fingerprints, for the Department to receive national criminal history records information from the Criminal Justice Information Services Division of the Federal Bureau of Investigation.
- (7) Has paid the fees prescribed by the commissioner.

Upon approval, the Department shall issue a nontransferable registration certificate, which shall prominently list the expiration date of registration and which must be shown upon request of potential enrollees. The registration shall be two years from the date of issue.

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Scope of Activity:

A navigator may not do the following:

- (1) Sell, solicit or negotiate insurance.
- (2) Urge or advise a prospective purchaser to buy a particular policy or to insure with a particular company.
- (3) Initiate sales over the telephone or otherwise.
- (4) Collect premiums.
- (5) Make or propose to make an insurance contract.
- (6) Other than as necessary to inform a prospective purchaser of the availability of health insurance off the exchange, provide information or services related to health benefit plans or other products other than those offered in the health insurance marketplace, shop exchange, the Children's Health Insurance Program or product available through the social security act (49 Stat. 620, 42 U.S.C. §301 et seq.).
- (7) Initiate an inquiry as to the terms of existing coverage.
- (8) Recommend or initiate additions or deletions to an insured's policy.
- (9) Sign binders, endorsements and insurance policies.
- (10) Authorize the issuance or delivery of certificates of insurance, endorsements, binders or insurance policies on insurance identification cards.
- (11) Respond to a policyholder's request for advice or counsel regarding policy provisions or coverage.

Enforcement by the Department:

Penalties:

- (1) Deny, suspend, or refuse to renew or revoke the registration, if any, of the person.
- (2) Impose a civil penalty of up to \$5,000 for each violation of this act.
- (3) Impose an order to cease and desist.
- (4) Report violations of this act to the United States Department of Health and Human Services.
- (5) Refer potential violations of any laws of this commonwealth relating to privacy of personal information to the Office of Attorney General.
- (6) Enforce other violations of the Insurance Department Act of 1921, as applicable.
- (7) Impose any other conditions the Commissioner deems appropriate. (1.) Impose a civil penalty of up to \$1,000 for each violation of this act or of the insurance department act of 1921.

The commissioner may promulgate rules necessary to carry out this act.

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This act shall take effect February 15, 2016, or the close of the 2016 open enrollment period, whichever is later.

FISCAL IMPACT:

SB 293 will have no significant fiscal impact to the Commonwealth. The Insurance Department anticipates \$183,000 in additional costs to implement this legislation.

The Insurance Department assumes that they will need a new complement position for \$83,000 which includes salary and benefits; however, over the past 3 months the Department has had an average of 35 funded vacancies. One of these positions could be filled for the purpose of registering the navigators and exchange assisters without additional cost to the Department.

In addition, the Department indicates that it would incur one-time information technology costs of up to \$100,000 to develop and maintain a searchable database of registrants.

It is assumed that registration fees established by the Department would be in amounts sufficient to offset costs incurred and that net additional costs to the Department would not be significant.