



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

THIS BULLETIN IS RENUMBERED AS "BULLETIN IC-33"

BULLETIN IC- 35
July 25, 2013

TO: All Health Insurers and Health Care Centers Licensed to Conduct Business
In Connecticut and All Producers Licensed in Connecticut to Sell Health Insurance

SUBJECT: The Affordable Care Act and the Connecticut Health Insurance Exchange

The Connecticut Insurance Department ("Department"), at this time, wants to remind entities licensed by the Department that the Department will take appropriate action against any licensed entity using misleading or false advertising to Connecticut consumers involving the provisions of the Affordable Care Act. The provisions of the Affordable Care Act are complex for individuals and small employers, and licensed entities cannot take advantage of this complexity and mislead purchasers of health insurance.

Similarly, the Department will take appropriate action against licensed entities which use sales methods intended to mislead consumers about the Connecticut Health Insurance Exchange, doing business as Access Health CT. The Connecticut Health Insurance Exchange is the only entity in Connecticut which is sponsored by the State and the only entity receiving federal recognition and access to federal tax benefits for individuals and small employers. Licensed entities may continue to market health insurance products within the scope of their licenses, but cannot mislead or misrepresent to consumers, or design, or participate in any design of a program intended to look like the Connecticut Health Insurance Exchange and confuse consumers. The Department will proceed aggressively against licensed entities *which* violate our insurance laws.

Licensed entities need to be cognizant of Connecticut's unfair insurance practices laws which define unfair methods of completion and unfair and deceptive practices as follows:

“Sec. 38a-816.Unfair practices defined. The following are defined as unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

- (1) Misrepresentations and false advertising of insurance policies. Making, issuing or circulating, or causing to be made, issued or circulated, any estimate, illustration, circular or statement, sales presentation, omission or comparison which: (A) Misrepresents the benefits, advantages, conditions or terms of any insurance policy; (B) misrepresents the dividends or share of the surplus to be received, on any insurance policy; (C) makes any false or misleading statements as to the dividends or share of surplus previously paid on any insurance policy; (D) is misleading or is a misrepresentation as to the financial condition of any

person, or as to the legal reserve system upon which any life insurer operates; (E) uses any name or title of any insurance policy or class of insurance policies misrepresenting the true nature thereof; (F) is a misrepresentation, including, but not limited to, an intentional misquote of a premium rate, for the purpose of inducing or tending to induce to the purchase, lapse, forfeiture, exchange, conversion or surrender of any insurance policy; (G) is a misrepresentation for the purpose of effecting a pledge or assignment of or effecting a loan against any insurance policy; or (H) misrepresents any insurance policy as being shares of stock.

(2) False information and advertising generally. Making, publishing, disseminating, circulating or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive or misleading.....”

Private Health Insurance Exchanges – The Department reminds private exchanges which operate marketplaces for individual and group health insurance that: (1) marketing and sales must be performed by producers licensed in Connecticut and appointed for the specific company, and (2) the products offered must be those of Connecticut licensed health insurers and health care centers. In addition, private exchanges and those licensed producers, health insurers and health care centers which participate in private exchanges must avoid any misrepresentations, false advertising, false or misleading statements, all as described in section 38a-816 of the Connecticut General Statutes and this Bulletin.

Licensed entities need to ensure that their staff is familiar with the requirements of this Bulletin.

This Bulletin is primarily intended for licensed entities. However, the Department also wants to remind other parties that doing an insurance business in Connecticut without a license is prohibited under section 38a-271 of the Connecticut General Statutes. The Department will take appropriate action against any unlicensed entities operating in Connecticut.

For any questions concerning this Bulletin, please contact: cid.ca@ct.gov OR **(800) 203-3447**.



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