



# FACTS & FIGURES

IDAHO DEPARTMENT OF INSURANCE – JUNE/JULY 2016

## THIRD PARTY PAYMENTS

Bulletin 16-04 Issued

After receiving approximately 165 public comments, the Department released **Bulletin 16-04** giving guidance to carriers regarding when and from whom a health insurance company must accept third party payments.

Comments were carefully considered and adjustments were made to more clearly protect consumers. Those adjustments include:

- Clarifying that carriers may accept payments from any third party.
- Including Medicare supplement plans as a product for which carriers must accept all third party payments as long as they do not violate anti-kickback provisions.
- Defining a financially interested third party organization as an entity that receives a majority of funding from entities with a pecuniary interest in or are subject to direct or indirect control by an entity with a pecuniary interest.
- Instructing carriers that they must accept payments from policyholders and covered members and cannot require certification or verification from them regarding the source of funds.
- Requiring carriers to include language in their policies that is no more restrictive than the bulletin.

The bulletin retained the provision that requires carriers to accept third party payments from family and friends, religious institutions, and financially disinterested not-for-profit entities.

Director Cameron fielded calls from reporters representing national media about this issue:

- **Wall Street Journal**
- **New York Times**



## 2017 PROPOSED RULES

The DOI is working on proposed rules for the 2017 legislative session. Public meetings will be held at the Boise office located at 700 W State St, third floor, for anyone wishing to participate in the negotiated rulemaking.

- Thursday, July 21, 1:30 p.m. – 18.01.10 – Producers Handling of Fiduciary Funds
- Thursday, July 21, 3:00 p.m. – 18.01.29 – Restrictions on Discretionary Clauses in Health Insurance Contracts
- Tuesday, July 26, 1:30 p.m. – 18.01.50 – Adoption of the International Fire Code
- Monday, July 25, 1:30 p.m. – 18.01.54 – Rule to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act

More information is available [here](#).

## ASK THE DOI

**Question: What is SHIBA?**

SHIBA – Senior Health Insurance Benefits Advisors – Is part of a national network of programs that offer free, unbiased, confidential counseling and assistance with Medicare. SHIBA staff and volunteers provide invaluable service to Idaho communities including:

- Counseling beneficiaries through the annual open enrollment period
- Connecting with beneficiaries who have limited incomes to help them save money on health care costs
- Providing objective, accurate, and confidential assistance to Medicare beneficiaries

SHIBA volunteers do not work or sell for any insurance company. Their goal is to educate and assist the public in making informed decisions about their health care options. Volunteers make a difference in their communities. To learn more about volunteering, call 800-247-4422.

## STATE FIRE MARSHAL

Deputy Alan Perry assisted the Jerome Fire Department with a fire on June 25, 2016. This fire caused significant damage to a residence and nearby garage. Determining the area of origin was difficult due to the unusual patterns. The following day, a drone was used to capture photographs that clearly identified patterns leading to a wood barrel flower pot. Further investigation revealed that a cigarette had been discarded in the flower pot causing the potting soil material to ignite and spread to adjacent combustible materials. This drone photo reveals the fire point of origin.



## SYRINGA GIRLS STATE



In June the Department welcomed Hanna, a delegate from Girls State, who spent the day with us and learned about the work that we do. She visited with staff in the various sections for an overview of how insurance regulation works in Idaho. The young women who participate in this program each year are smart and eager to learn about state government. This year's delegate is from Boise.

**Girls State hosts:** Knute Sandahl, Jo McGill, Pamela Murray, Hanna (delegate), Teresa Jones, and Barbara Mendiola

## LICENSING

- NIPR and Sircon created an online service for non-residents to reapply after voluntary surrender of their Idaho license. This streamlines the process of re-entry to the Idaho insurance market and eliminates the need to reapply by paper.
- NPNs (National Producer Numbers) are unique identifiers issued by the NAIC upon the initial licensure of every individual and agency. They can be used in online licensing transactions in place of SSNs or EINs. NPNs will now download for agency licenses. This number will be visible on the license copy (if printed from our website) or Idaho license website record.
- 1,587 new licensees were added in May, 1,640 in June – bringing the end-of-June total number of licensees to 104,950.

## COMPANY ACTIVITIES

- Analysis staff attended the NAIC Insurance Summit in Kansas City to obtain continuing education and stay abreast of current events and hot topics impacting the insurance industry and financial regulation. Topics covered at the summit included *Best Practices in Reviewing and Monitoring Affiliate Transactions* and *Emerging Investment Issues and Concerns for Insurance Regulators*.
- Orders were issued suspending the certificate of authority for United Security Assurance Company of Pennsylvania and continuing the suspension of American Network Insurance Company's certificate of authority. The **Report of Examination** for City of Nampa Employee Welfare Benefit Trust was adopted for the period ending September 30, 2014, and is available on our website.

## CONSUMER SERVICES

In March 2016, Mylinh Fetterman was sent to prison after being convicted of insurance fraud in Ada County. Fetterman was an insurance agent in Idaho working for Primerica Insurance. A DOI investigation revealed evidence that she was issuing insurance policies and taking money from client bank accounts without their knowledge over a four-year period. Fetterman was sentenced to serve a minimum of one year and up to five additional years in prison. She was also ordered to pay \$31,316.07 in restitution, fines, and fees.

Investigators also discovered that Fetterman stole money from clients at a financial institution where she was employed. In a separate case, she was charged with Grand Theft and two counts of fraudulent misappropriation of personal identifying information or credit valued over \$300. She pleaded guilty in that case to grand theft and was ordered to pay an additional \$26,896.98 in restitution.

The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. For more information, visit [www.doi.idaho.gov](http://www.doi.idaho.gov).