

Agent Compensation Disclosure Requirements

Frequently Asked Questions



What is the Consolidated Appropriations Act?

The Consolidated Appropriations Act, 2021 (CAA), signed into law on Dec. 27, 2020, contain several provisions aimed at promoting greater transparency in health care cost information, including agent compensation.

What are the agent compensation disclosure requirements?

All agents/brokers contracted and/or appointed to sell UnitedHealthcare Individual & Family Affordable Care Act (ACA) plans must disclose the following information to consumers prior to final plan selection:

1. Direct compensation (e.g., commissions) to be received in connection with the consumer's enrollment in an Individual & Family ACA plan; and
2. Indirect compensation (e.g., bonus contests) that may be earned in connection with the consumer's enrollment in an Individual & Family ACA plan.

The requirements for agents/brokers to disclose any direct or indirect expected compensation applies to contracts entered into, extended, or renewed on or after Dec. 27, 2021.

[For New Mexico Only*] Prior to the consumer's purchase of insurance in New Mexico, agents/brokers are further required to obtain the consumer's documented acknowledgment that such compensation will be received by the agent/broker. Such documented acknowledgment can be either written consent from the consumer or, in the event of a telephonic or electronic sale, documented by the agent/broker.

*Response from subscribers must be documented by the agent. If consent is not given, the sale cannot continue.



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How and when should I disclose my expected compensation to the consumer?

The total amount of expected compensation must be disclosed verbally prior to the consumer finalizing plan selection.

Are there any resources to help me appropriately disclose expected compensation amounts to consumers?

Yes. To assist you with disclosing the required compensation information to consumers, talking points are available on Jarvis. These talking points also include the exact compensation amounts to share with consumers.

Go to UHCJarvis.com > *Sales Tools* > *Agent Compensation Disclosure* to access talking points.

What compensation amount am I required to disclose?

Per the talking points, you must disclose the total amount paid to the agent/broker and any upline agency, per member per month (PMPM).

Why is the amount listed on the talking points more than my commission PMPM?

The amount listed on the talking points is the total compensation paid by UnitedHealthcare to the agent/broker, plus any applicable upline agency PMPM.

Do I need to disclose bonus or contest payouts to consumers?

Yes. Indirect compensation (e.g., bonus or contest payouts) must be disclosed to consumers. Currently, we are not running any bonus or contest programs that would require disclosure under the CAA. If/when we introduce bonus or contest programs, we will issue updated talking points to assist with communicating the appropriate disclosure to consumers.

I thought the agent compensation disclosure rules said only compensation above \$1,000 must be disclosed. Why does UnitedHealthcare require that all compensation (above or below \$1,000) must be disclosed?

There is a \$1,000 threshold for agent compensation disclosure that applies to the employer group market. That threshold does not apply to individual market coverage like Individual & Family ACA plans. For individual market coverage, the proposed federal regulations specify that all direct and indirect compensation must be disclosed. There is no dollar limit attached to that disclosure in the rule (meaning that any compensation above \$0 is within scope).

Do I have to disclose my expected compensation to consumers yearly?

Agents/brokers will be required to disclose expected compensation to consumers each time they actively assist with enrollment in an Individual & Family ACA plan, including upon renewal.

How are consumers informed of the agent compensation disclosure requirements?

Consumers are informed of the agent compensation disclosure requirements in the member Welcome Kit.

Do the agent compensation disclosure requirements apply to Medicare products?

No. At this time, the agent compensation disclosure requirements only apply to Individual & Family ACA products.

Where can I find more information about the agent compensation disclosure requirements?

To learn more about the agent compensation disclosure requirements, you can review the proposed federal regulations [here](#).

