



Ted Strickland, Governor
Mary Jo Hudson, Director

December 03, 2010

To: Health Insurance Compliance Officers
Re: Agent/Broker Compensation Agreements

It has come to the attention of the Department that some companies are changing their form of agent/broker compensation. Some carriers are developing new models similar to a direct service fee model whereby agent/broker compensation will be paid directly by clients. Other carriers may be reducing agent/broker compensation levels or may even stop paying agent/brokers by commissions.

As a reminder to carriers, group premium rates and methodologies have to be on file with the Department prior to use. Individual rates must be approved prior to use. To the extent that commission changes differ from what has been filed, revised rates/methodologies must be filed with the Department. Carriers using rates/methodologies other than what they have on file may be subject to market conduct review.

My contact information is listed below if you have questions concerning this letter.

Sincerely,

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