



**DATE:** February 21, 2024

**TO:** Health Plan Issuers, Agents, Brokers, and Interested Parties

**FROM:** Nathan Houdek, Commissioner of Insurance

**SUBJECT:** Out-of-State Health Insurance Brokers

The Office of the Commissioner of Insurance (OCI) has recently seen an increase in complaints alleging the improper sale of Affordable Care Act-compliant health plans, both on and off the exchange. In these cases, some agents and brokers—out-of-state brokers in particular—have sold unsuitable policies and/or misrepresented the terms of these policies. *See Wis. Admin. Code § INS 3.27(7)* (a recommendation for a health insurance policy cannot be “unsuitable to the applicant”); *Wis. Stat. § 628.34(1)(a)* (prohibiting misrepresentation relating to an insurance contract).

OCI is committed to enforcing Wisconsin’s insurance laws and regulations as they apply to agents, brokers, and health insurers to ensure the proper sale of these products. *See, e.g., Wis. Stat. § 628.40* (an insurer is bound by the acts of its agents).

Accordingly, this bulletin is to remind agents, brokers, and health insurers to take all reasonable steps necessary to ensure that the terms of prospective plans are accurately described and that these plans are suitable to the applicant. Such steps include, on the part of health insurers, ensuring that the insurance intermediaries with which they contract adhere to all applicable insurance laws and regulations.

Any questions concerning this bulletin may be directed to Sarah Smith at [Sarah.Smith2@wisconsin.gov](mailto:Sarah.Smith2@wisconsin.gov).