



DATE: March 14, 2025

TO: All Agents, Insurance Intermediaries, and Interested Parties

FROM: Nathan Houdek, Commissioner of Insurance

SUBJECT: The Use of the "NPN Override" Function

The Office of the Commissioner of Insurance (OCI) has received a number of consumer complaints directed at insurance intermediaries, alleging fraudulent enrollment in Affordable Care Act plans offered through the federally facilitated marketplace (the Marketplace). OCI determined that, in many cases, the intermediary used the "National Producer Number (NPN) override" function on an Enhanced Direct Enrollment (EDE) platform to submit the application. EDE platforms are non-governmental websites that allow intermediaries to enroll consumers in the same Qualified Health Plans available on the Marketplace and state-based exchanges. The "NPN override" function allows an intermediary who is not appointed with a given insurer to submit an application to that insurer by using the NPN of an appointed intermediary.

It is OCI's position that this practice violates Wisconsin law. An intermediary who designates themselves as the agent of record, without having completed the enrollment, violates Wis. Stat. § 628.034(1)(a) prohibiting misrepresentations relating to insurance contracts. In addition, under OCI's appointment and "proper exchange of business" provisions, it is improper for intermediaries to exchange business in this manner. Exchange of business is subject to the constraints of Wis. Admin. Code Ins § 6.66 and cannot routinely be used as a method for bypassing the appointment requirements of Wis. Stat. §§ 601.31(1)(n), 628.11, 628.40, and Wis. Admin. Code § Ins 6.57.

For the same reasons, intermediaries and agencies may not otherwise exchange or facilitate business in this manner, for example, by routing agency sales through a single appointed intermediary.

Questions regarding this bulletin may be directed to Chief Legal Counsel Lauren Van Buren, Lauren.VanBuren@wisconsin.gov.