



Broker and consultant compensation disclosure for individual health plans

The Consolidated Appropriations Act of 2020 (CAA) requires the disclosure of direct and indirect broker and consultant compensation to health insurance policyholders and plan fiduciaries beginning December 27, 2021. The disclosure requirements apply to group, individual, and short-term limited-duration policies.

In the **Individual Market**, plan issuers must disclose direct and indirect compensation schedules and arrangements prior to final plan selection (for new enrollees) and upon delivery of enrollment or renewal documents.

To ensure good faith compliance and pending the finalization of HHS rulemaking or further regulatory guidance:

- **Effective December 27, 2021, Capital Blue Cross is requiring producers to provide Capital's Compensation Disclosure Brochure (or webpage link) to policyholders enrolling in new individual coverage and to document such disclosure.** The Compensation Disclosure Brochure and webpage link will be accessible via the Capital Blue Cross producer portal.
- Capital Blue Cross will deliver the same Compensation Disclosure Brochure directly to individual policyholders with initial enrollment or renewal documents.

In the **Group Market**, the CAA requires producers and consultants meeting the definition of a "Covered Service Provider" and reasonably expecting to receive \$1,000 or more in total direct and indirect compensation must make certain disclosures to the plan fiduciary. Capital

Blue Cross strongly encourages producers and consultants to become familiar and compliant with these requirements in the CAA and seek appropriate advice as needed.

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