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### REGULATORY BULLETIN 2014-3<sup>1</sup>

**TO:** Insurance Producers, Insurance Industry Representatives, Insurance Trade Associations, Disability Insurers, and Other Interested Parties

**FROM:** Germaine L. Marks  
Director

**DATE:** June 16, 2014

**RE:** Licensing Requirements for Health Insurance Navigators and Health Insurance Certified Application Counselors

This Regulatory Bulletin summarizes HB 2508 (Laws 2014, Ch. 153), which added a new Article 3.4 to Arizona Revised Statutes ("ARS") Title 20, Chapter 2, prescribing requirements for licensing of health insurance navigators ("navigators") and health insurance certified application counselors ("CACs").

Starting October 1, 2014, Arizona law requires a person to be licensed to act as a navigator or CAC. ARS §§ 20-336.01(A) and 20-336.02.

The new law prohibits a navigator or CAC from doing the following: acting as an insurance producer without an insurance producer license; recommending, endorsing or offering an opinion about a health benefit option; providing information about products or services that are not offered in the Health Insurance Exchange; and engaging in unfair competition, or in any fraudulent, deceptive or dishonest act or practice. ARS §§ 20-336.03(F) and 20-336.04(D)

The following are exempt from the navigator and CAC licensing requirements (ARS § 20-336.01(B) and (C)):

- An insurance producer with accident and health or sickness license authority.
- A person working only on tribal lands who underwent a federal service security background investigation including a criminal history records check and fingerprinting.

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<sup>1</sup> This Substantive Policy Statement is advisory only. A Substantive Policy Statement does not include internal procedural documents that only affect the internal procedures of the Agency, and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this Substantive Policy Statement does impose additional requirements or penalties on regulated parties you may petition the agency under Arizona Revised Statutes Section 41-1033 for a review of the Statement.

To become a navigator (ARS § 20-336.03) or a CAC (20-336.04), the applicant shall:

- be age 18 or older;
- not have committed any action that is a ground for license denial, and not have been convicted of a misdemeanor involving fraud or dishonesty;
- fulfill US Department of Health and Human Services certification requirements, which as of the date of this Bulletin are accessible from the Centers for Medicare and Medicaid Services “Training materials & presentations” web page, located at <http://marketplace.cms.gov/training/get-training.html>;
- submit the application available from the Arizona Department of Insurance (“ADOI”) “Producers and Other Professionals” Internet web page, located at [www.azinsurance.gov/producers](http://www.azinsurance.gov/producers);
- An applicant who is an individual reports the business entity with whom the applicant is affiliated and that supervises the applicant, which for a navigator applicant must be a business-entity navigator.
- A business-entity navigator applicant identifies the following: the individually licensed navigator who will be responsible for the business entity’s compliance with Arizona insurance laws; lists all members, officers, directors; and provides for each member, officer and director the information required for individual navigator applicants.
- submit fingerprints (accompanied by the FBI fingerprint card processing fee) for a criminal history records check or an attestation that the individual underwent and passed a criminal history records check as a condition of employment as a navigator or CAC between August 1, 2010, and July 24, 2014. For details concerning fingerprinting requirements, see the ADOI’s “Get Fingerprinted” web page [www.azinsurance.gov/producers/prod\\_get\\_fingerprint.html](http://www.azinsurance.gov/producers/prod_get_fingerprint.html).

HB 2508 does not prescribe a license fee, and legislative history reflects the Legislature’s intent to not impose a license fee on navigator or CAC applicants. However, as previously noted, a person required to submit a fingerprint card must submit the FBI fingerprint card processing fee, which is \$22 as of the date of this Bulletin.

ARS §§ 20-336.03(G), 20-336.04(E) and 20-336.06 provide navigators and CACs with the license term and license expiration schedule that apply to insurance producers.

- A new license for an individual expires on the last day of the licensee’s birth month, between three and four years from the date issued or last renewed;
- A license for a business entity expires on the last day of the month, four years after the date issued or last renewed; and,
- Authority added to an existing license expires on the same date as the existing license.

The ADOI may examine and investigate navigators and CACs for possible violations Title 20 and they are subject to the other provisions of Title 20 enumerated in ARS §20-336.06.

Please direct any questions relating to this Regulatory Bulletin to Steven Fromholtz at (602) 364-4455, or [sfromholtz@azinsurance.gov](mailto:sfromholtz@azinsurance.gov).