



Broker News and Updates

Keeping you informed on industry matters that impact you!

MUST READ

IMPORTANT ANNOUNCEMENT REGARDING CAREFIRST INDIVIDUAL BUSINESS

Chet Burrell, the CEO of CareFirst, informed the broker community at the CareFirst Broker Forum that commissions for the individual, under 65 market in MD, DC and VA will cease effective 1/1/2018.

A lot of questions remain unanswered such as the procedures CareFirst will employ to support this change. We don't have any detail on plans for notification to policy holders of this change and the fact that brokers will not have any contractual relationship or legal standing with the policy holder. While this planned action will be a significant blow to brokers engaged in the individual market, it appears that CareFirst is determined to proceed with this change in its distribution strategy. CareFirst laid out the circumstances that have driven them to take this course of action, namely the huge losses they have incurred in the individual market (6.6% of total CareFirst membership), namely half a billion dollars in losses with no recovery in sight. We know all too well the consequences this will have on broker revenue and client service. We will follow these developments over the coming months and keep you informed.