



Office of the Montana State Auditor

CSI

Commissioner of Securities and Insurance

Commissioner Downing's Quarterly Report Spring 2021

Getting Rid of the Subsidy Cliff on the Health Insurance Exchange

One complaint about the Health Insurance Exchange since its inception is that any assistance to help pay for premiums was capped at 400% federal poverty level (FPL). There was an assumption that once a household earned above 400% FPL insurance was affordable, and the premium subsidies went away.

For example, last year premium subsidies ended when a household's income exceeded \$103,000. Nationally, the average cost of a family plan on the Exchange was over \$17,000 in annual premiums, plus another nearly \$8,000 in deductible and out-of-pocket expenses. This is almost 25% of a person's gross income.

In Montana, 18% of households who get their insurance through the exchange do not receive a subsidy. Additionally, we know many Montanans choose to go uninsured because the expense is too great, even with a good salary. Under the new federal premium subsidy credit, the maximum a household, earning any salary will pay toward their health insurance is 8.5%.

Income Range	Maximum % of Income to Purchase a Benchmark Plan without Premium Tax Credit	Maximum % of Income to Purchase a Benchmark Plan with Premium Tax Credit under ARP
100%-133%	2.07%	0%
133%-150%	3.10%-4.14%	0%
150%-200%	4.14%-6.52%	0%-2%
200%-250%	6.53%-8.33%	2.0%-4.0%
250%-300%	8.33%-9.83%	4.0%-6.0%
300%-400%	9.83%	6.0%-8.0%
400% and higher	N/A	8.5%

New enrollment is open until August 15, 2021. For those on the exchange you can accept your higher premium credit at **healthcare.gov**. If you are enrolled in an Exchange plan and do not accept the higher subsidy now, you will receive the money in a tax credit on the your 2021 taxes.

If you did not enroll in a health plan on the Exchange because you could not afford the premium, you may want to consider enrolling now because more people are eligible for subsidies and the subsidy amount is higher.

Friends,

From the Commissioner

During this quarter, we were busy at the Legislature standing up for Montana consumers and making our business community strong. As an agency, we were honored to have received bipartisan support on 17 bills that CSI brought forward or supported. These included regulation of pharmacy benefit managers, expanding insurance and retirement products offered to Montanans, stopping auto and homeowner insurance companies from using old claims history to deny coverage or increase rates, and continuing telehealth accessibility. Montana is lucky to be represented by hard-working individuals who sacrifice time away from their families to do the work that needs to be done for this great state.



As we move into a new phase following the pandemic, we hope to be back on the road in your communities to provide education to protect you and your loved ones from consumer fraud and financial exploitation. This agency regulates the insurance and securities industries, helps Montanans raise capital for their business ventures, and works diligently to prosecute fraud and keep the industries we regulate financially solvent. We are here to help. Please contact our office during business hours to speak directly to a live person about your concerns and to answer any questions.

Best Regards,

Troy Downing



Do you have questions?

Please contact CSI directly at (406) 444-2040 or
by going to www.CSIMT.gov/contact

Are Your Facebook Friends Asking You to Invest in a Business?

Multi-level marketing companies (MLM) sell goods or services through independent agents. The compensation structure of these companies reward participants primarily for the sales they generate and also for recruiting others to participate in the sales plan or operation by giving them a portion of the sales commission generated by the recruited individual.

MLMs that want to do business in Montana must file with the CSI. This filing requirement is for the company itself. Participants and people selling on behalf of the MLM do not have to file.

Some MLMs are not conducting a lawful business in Montana. Unlike an MLM, a pyramid scheme is based on a compensation structure where participants earn money primarily from the fees paid by new recruits to the scheme and not from sales of the product. Participants must recruit others to the plan to make money. As participants join, additional people must be recruited so that current participants can be paid. The pyramid eventually collapses when participants exhaust the pool of people available and willing to join. Often goods or services are offered to appear legal but are not the primary source of income for the business. If more money is raised by recruiting than by sales, be wary. You may not be able to get back any of the money that you have invested.

Check with our office to see if the MLM company is registered and complying with Montana's MLM laws. Don't be a victim of a scheme.

Let's "Get Vax to Business"

Businesses all over our communities are seeing improvement in their bottom line as their customers start returning to normal. In order to keep this trend going, we encourage employees to get vaccinated. Right now, my office is working with business groups, health plans and other stakeholders to get the message out to get "Vax to Business."

Keep your eyes out for information on ways to make it easy and appealing for employees to receive their voluntary vaccination.

Captive Insurance Summit

The Montana Captive Insurance Agency's 16th Annual Conference is scheduled for July 20-22, 2021 in Whitefish, MT. This year's program will feature key captive regulators, captive owners and leading service providers addressing a variety of timely educational topics.

The conference also serves as the premier networking event for those doing captive insurance business (or would like to) in the growing Montana captive domicile.

www.CSIMT.gov

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