



BCS Insurance Company Agent and Agency E&O Program Health Insurance Updates

Proposed changes to **ACA** presents new challenges for licensed insurance agents. As the health insurance industry evolves, the way in which an E&O policy responds to these changes is critical. Based on the current information, it's important to understand the following information regarding your BCS Insurance Company E&O Program and ACA:

The BCS E&O Program responds to claims against insurance agents for Professional Services performed for your Clients. Professional Services can include the sale of and advice related to covered insurance products and services in the normal course of conducting insurance business.

- Professional Services may include an insured's advice on health insurance coverage with respect to health reform legislation. The policy does not distinguish covered products based on agent compensation whether paid by a commission or a fee. Consulting may be covered related to the sale and advice of covered products by a licensed insurance agent.
- The policy does not distinguish covered products based on being sold inside or outside of an Exchange.

The coverage available for any Claim depends upon the specific circumstances of that Claim and all of the terms and conditions of the policy.

Please note the following:

Your E&O policy does not apply to any Claim arising out of services performed as an actuary, accountant, attorney, real estate agents or real estate broker, named fiduciary, tax advisor or third party claims administrator.

ACA Best Practice: As regulations change, the tax implications of health insurance may become more complicated. We suggest that you recommend that your Clients seek tax advice from a tax advisor. Since documentation is the key to preventing an E&O Claim, we recommend you add the following tagline to all your Client communications.

We provide general information and resources for taxation questions applicable to health care reform. We do not provide tax advice since we are not a certified public accountant. If you have any questions, need clarification or tax advice, please contact your tax advisor.