

How the “Tax Cuts and Jobs Act of 2017” Impacts Your Products

Many of us were quick to determine the impact of the recent tax plan on our paychecks, but have you considered how this tax plan also affects your company’s products?

As we all know, the Patient Protection and Affordable Care Act mandated that individuals have qualifying health insurance coverage. Those individuals without qualifying coverage would be subject to a penalty when it came time to submit their federal taxes.

States wanted to ensure that their citizens were able to identify which insurance plans provided qualifying coverage and which did not. To help with this effort, many states required that Hospital Indemnity products include a disclosure that clearly explained that the product was not a qualified minimum essential coverage plan, and without having a qualified plan, then the policyholder may be subject to a tax penalty. Some states even extended this requirement to other supplemental health coverages such as Critical Illness.

Fast forward to today and an important aspect of the Tax Cuts and Jobs Act of 2017 (TCJA) was that it eliminated

the individual mandate penalty related to having qualified minimum essential coverage. A result of this penalty being eliminated, the associated required state disclosures will need to be revised to eliminate the reference to a possible tax penalty.

The first state to respond to this change was Michigan. In February, the Michigan Department of Insurance and Financial Services issued Bulletin 2018-04-INS describing the disclosure revisions needed for policies issued after January 1, 2019. It is anticipated that additional states will release similar bulletins in the coming months.

So keep your eyes open for additional state bulletins and best of luck implementing these changes!

Sean Cox

Sean Cox is Assistant Vice President at First Consulting & Administration, Inc. and may be reached at Sean.Cox@FirstConsulting.com.

For information on First Consulting & Administration, Inc. please see www.firstconsulting.com.

Association of Insurance Compliance Professionals Launches “Introduction to Insurance Compliance Program”

The Association of Insurance Compliance Professionals® is proud to announce “AICP’s Introduction to Insurance Compliance Program,” an introductory level course designed for all insurance professionals.

This program provides the “why” for insurance professionals who want to understand the compliance requirements encountered in their daily jobs—whether they are new to the industry, new to their role, or simply anyone who would benefit from a foundational understanding of how insurance regulation impacts our industry.

In addition to the value of the material presented, attendees and their employers will benefit from developing an immediate network of insurance compliance peers that will



be vital to developing compliance best practices. AICP’s “Introduction to Insurance Compliance” is a great jump start for insurers who are striving to cultivate a “culture of compliance” throughout all business units in their companies.

This one and a half day live presentation course will be held on

September 22 & 23, 2018, immediately before the AICP’s annual conference in Nashville, TN. The course will be taught by a dynamic panel of AICP members who are recognized as experts in their functional compliance areas.

AICP’s “Introduction to Insurance Compliance” is reasonably priced at \$275 and a discount is available for anyone who also registers for the AICP annual conference.

SEATING WILL BE LIMITED, SO SAVE THE DATE NOW!
 Be on the lookout for more information soon at AICP, LinkedIn, and Twitter.
#AICPintrotoinscompliance