



MIKE CAUSEY
INSURANCE COMMISSIONER

BULLETIN

BULLETIN Number 25-B-14

To: All Insurance Companies and other Entities Licensed under Chapter 58 of the North Carolina General Statutes

From: Mike Causey, Commissioner of Insurance

Date: November 21, 2025

Subject: Potential Unfair Practices Involving the Sale of Medicare Products

The North Carolina Department of Insurance (NCDOI) has received reports of conduct by certain insurance carriers offering Medicare Supplement, Medicare Advantage and Medicare Part D plans that, if substantiated, may violate the statutory prohibitions against unfair methods of competition and deceptive acts in the business of insurance under Article 63 of Chapter 58 of the North Carolina General Statutes (Article 63).

The Department is particularly concerned about allegations that some carriers are:

- Restricting, denying, or withholding access to approved Medicare products from eligible consumers;
- Modifying or limiting producer compensation structures in a manner that potentially discourages the offering of certain plans;
- Manipulating plan availability to steer consumers toward specific products or carriers.

Such practices impede consumer access to approved Medicare plans and distort the competitive landscape to the detriment of Medicare-eligible beneficiaries.

Applicability.

This bulletin applies to all carriers and producers offering any health plans to North Carolinians eligible for Medicare, including Medicare Supplement, Medicare Advantage and Medicare Part D plans.

For Medicare Supplement plans, the federal government has left primary regulatory authority to the states. See, Article 54 of Chapter 58 of the North Carolina General Statutes. Medicare Advantage and Medicare Part D plans, though federally administered, remain subject to the general prohibitions contained in Article 63 against unfair methods of competition and unfair or deceptive acts in the business of insurance, insofar as those provisions do not conflict with federal law.

Prohibited Conduct.

It has been brought to the NCDOL's attention that some insurance carriers may have attempted to restrict access to certain approved Medicare plans by removing the enrollment application from their website, encouraging producers to avoid selling their products, or changing or discontinuing producer compensation.

Carriers are reminded that any attempt to restrict access to approved products in North Carolina may be prohibited under Article 63, even if not specifically enumerated in statute. Such actions include:

- Failing to make enrollment applications for all approved products readily available and easily accessible in all formats (e.g. printed, online, through appointed agents);
- Discouraging or dissuading producers from marketing or selling approved products;
- Modifying or eliminating producer compensation mid-year;
- Withholding compensation to producers on products that were filed with compensation built into the rate structure; and
- Creating internal policies or incentives that steer consumers away from certain approved products, regardless of suitability.

NCDOL views these practices as inappropriate and unfair, with the potential for great harm to North Carolina Medicare-eligible residents. NCDOL may also determine that other practices not specifically enumerated also constitute violations if they are unfair, deceptive or detrimental to consumers.

NCDOL is concerned over allegations that carriers are discontinuing or reducing commissions on approved Medicare products. NCDOL expects insurers to implement commission payments as assumed in the approved rates. Producer compensation is not a discretionary tool to manage performance or profitability. If insurers discontinue or reduce commissions which were historically paid, or no prior notice of zero-commission status was provided, such actions could potentially disincentivize some producers from

marketing these products, thereby impeding consumer access to approved Medicare plans and adversely impacting fair competition in the Medicare market.

Conclusion.

All carriers and producers that offer insurance products to Medicare-eligible people must act in good faith and in full compliance with North Carolina and federal law. Products that have been filed and approved for sale must be marketed without artificial barriers, discriminatory practices, or disincentives. If a product was filed with the expectation of producer compensation, carriers should honor that commitment. Carriers are strongly cautioned against any artificial manipulations of the North Carolina insurance market which would harm North Carolinians eligible for Medicare.

Producers must act in the best interests of the consumer and assist the consumer in finding and acquiring plans that best meet their medical and financial circumstances, with consideration given to provider access, prescription coverage, cost, and affordability.

The NCDOI will actively monitor market conduct and compliance and may take enforcement action against any carrier engaging in practices that manipulate the market or harm consumers.

This Bulletin is not new law but is an agency interpretation of existing law, except as authorized by law or as incorporated into a contract.

Questions about this advisory bulletin can be directed to Melinda Munden, Deputy Commissioner of NCDOI's Seniors' Health Insurance Information Program (SHIIP) at melinda.munden@ncdoi.gov.