



National Association of Health Underwriters

America's Benefits Specialists

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NAHU Supports Legislation to Protect Consumers and Jobs

(Arlington, VA) – The National Association of Health Underwriters (NAHU) applauds Representatives Mike Rogers (R-MI) and John Barrow (D-GA), along with 14 original co-sponsors, for introducing a bipartisan proposal that amends the *Patient Protection and Affordable Care Act* (PPACA) and protects health care consumers and the economy by preserving the role of health insurance agents and brokers. Janet Trautwein, CEO of the National Association of Health Underwriters (NAHU) made the following statement today in support of the *Access to Professional Health Insurance Advisors Act of 2011*:

“PPACA institutes medical loss ratios (MLR) that require insurance companies to spend a certain percentage of the money they collect from customers on medical claims. The idea is to root out excess administrative expenses and unreasonable profit margins. However, this narrow definition of MLR classifies agent commissions as an administrative expense even though agent commissions have never been part of an insurance company’s actual revenue. Due to this change, agents and brokers across the nation have seen their income drastically cut.

“Millions of individuals and small businesses depend on licensed agents and brokers to help them navigate the health care marketplace and find health plans that suit their needs and budgets. In fact, as the Congressional Budget Office (CBO) reported, agents and brokers often serve as de facto human resources departments for many small firms -- negotiating premiums, processing claims and enrolling employees. Without agents' expert advice, many individuals and businesses will end up spending more for health insurance policies and receive less care.

“A new survey of nearly 2,400 insurance agents and brokers -- who interact on a daily basis with employers who provide health insurance -- hammers home the stark reality of the new law. More than half of brokers report that some of their clients have dropped coverage altogether as a result of health reform. Seventy percent have watched employers decrease the amount of coverage they provide, and a whopping 90 percent of firms have increased premiums for their employees. Health reform has also caused employers to lay off workers or avoid hiring new ones. Forty percent of brokers state that their clients have eliminated jobs, and 57 percent have seen businesses reduce hiring.

“The country's half-million licensed health insurance agents and brokers are feeling the pinch as well. More than 70 percent have witnessed their business incomes decline as a result of health care reform's new rules. These reductions in income haven't led to savings for consumers, as the law's proponents claimed they would. Instead, 21 percent of agents have been forced to cut jobs themselves, and 26 percent have had to reduce the services they provide to their clients.

“We look forward to working with members of Congress and the Administration on this issue as well as other critical improvements to the new health care reform law.”

The National Association of Health Underwriters represents 100,000 professional health insurance agents and brokers who provide insurance for millions of Americans. NAHU is headquartered in Arlington, VA. For more information, please contact Kelly Loussedes at 703-276-3835 or e-mail kloussedes@nahu.org.

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