





What a year this has been!

Since our convention last June in Denver, it has been a whirlwind of activity. I've been all over the country visiting with NAHU's chapters, and I've got to tell you: I like what I see. We are energized and organized, which will help us stave off the government-run health care proposals that we may see very soon. And many of these bad proposals are now forming at the state level, which means we have to be vigilant and strong in every corner of the country.

NAHU continues to grow in both size and stature, a fact that should be source of pride for all of us. The nation's economy may be going through a rough patch, but health insurance professionals from coast to coast still see the need and the value of belonging to the only association that protects their livelihood. At a time when most professional associations are experiencing dwindling membership numbers, our growth is definitely something we should be proud of.

The numbers and words you'll see in this annual report tell part of the NAHU picture—the nuts and bolts of what we've been doing for the past 12 months. But if you want to experience the real value of belonging to this association, vow to become more involved in your chapter this year. What strengths do you have? If you're a "people person" who can sell association membership to your colleagues, consider helping with membership-recruitment efforts. If you like following pending legislation and doing something about it (as I do), volunteer to help with your chapter's legislative efforts.

Like to organize events? Chapters always need someone to put together meetings, CE events or symposiums. If you're a new junkie who keeps tabs on the health care stories that pop up in your newspaper or on the local news, become a media chair for your chapter. If writing or Web development are your passions, see if your chapter needs help with its newsletter or website.

This industry keeps us all very busy, which is a good thing. But all of us can find a few minutes each week to help NAHU, the industry's top association, become a little bit better. Our strength is our numbers and, as always, "we" are better than "I."

It has been an honor to serve as your president. This Board of Trustees has left the association in better shape, and I have no doubt the future boards will continue that trend. This is an extraordinary organization and I'm so proud to belong to it and help it grow.

Thank you!

A handwritten signature in cursive script that reads "Beth Ashmore".

Beth Ashmore  
NAHU President, 2007-2008

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## Protecting Your Investment

In 2007, NAHU reached an all-time high, with revenues over \$5.4 million. Although we did not reach all of our 2007 goals, we are on target for 2008 and anticipating a great financial year. This is largely due to the dues increase approved by our House of Delegates and the success of our education programs. The real key will be continued membership growth and improved member retention, and we are implementing new programs and value added services to ensure that NAHU remains a necessary membership for serious health insurance professionals.

## Spreading the Word

NAHU continues to make great strides on the media relations front. In fact, we more than doubled our press “hits” from last year. So far this year, we have secured over 1,500 press mentions in the press (up from 711 last year and 364 the year before), including The New York Times, Wall Street Journal, LA Times, Washington Post, Time Magazine, Consumer Reports, Fortune, Smart Money, Kiplinger’s, NBC, CNN and CBS. Like politics, media is local and much of our increased visibility is the result of members’ efforts, as hundreds of NAHU members have been trained through “Working with the Media” webinars and leadership workshops at national and regional meetings.

**Single-Payer Media Outreach:** We continue our daily monitoring of single-payer articles in the top 25 media markets with the help of the nationally recognized Edelman Public Relations. Aggressive national media monitoring in key metropolitan areas allows NAHU to quickly respond to editors and reporters with letters to the editor and op-eds. Through this project, NAHU has begun debunking myths about the benefits of single-payer systems nationwide, as well as demonstrating that NAHU is committed to combating this issue.

**Long-Term Care Partnership Campaign:** We began rolling out our new Long-Term Care Partnership national campaign – “Protect Your Health and Your Future” – this year. NAHU has been the central influence over the years in garnering support for the passage of Long-Term Care Partnerships.

The campaign has helped maximize the effectiveness of Partnership legislation by educating consumers, policymakers and the media about the benefits of Long-Term Care Partnerships. We are spreading our message by hosting press events and editorial board meetings, and getting the word out in print and broadcast ads, and brochures and flyers.

**Faces of the Uninsured Campaign:** The new “Faces of the Uninsured” campaign is a national campaign to educate the media, policymakers, consumers and others about the importance of having health insurance and demonstrate the benefits of a private health insurance system.



**New Ads and Brochures:** NAHU created two new membership-recruitment ads that we placed in industry trade publications such as *National Underwriter*, *Broker World*, *Agent Sales Journal* and *Business Insurance*. These ads are available to our chapters for free so they can place them in their local papers or business journals to promote membership.

We also produced three new brochures to promote NAHU to the media and help educate consumers about the importance of having health insurance and the value of health insurance agents.

The Value of the Agent Brochure highlights the important role that agents/brokers play in our industry. Navigating the complexities of our health care system can be a daunting task and the brochure clearly demonstrates how agents help individuals and employers get the best plan at the most affordable price.

The Faces of the Uninsured Brochure highlights five “success” stories of people who were previously uninsured and with the help of an agent now have health coverage.

The Healthy Access Brochure details NAHU’s ideas for affordable and responsible health care reform.

## Bringing the Industry Together

From attendance and attendee-satisfaction perspectives, NAHU’s 18th Annual Capitol Conference was our most successful ever, with record attendance of nearly 700 members and guests. Ninety-four percent of evaluation survey respondents rated their overall return on investment as good or excellent. We drew attendees from 41 of the 47 states in which we have chapters, giving NAHU a strong presence on Capitol Hill.

Featured speakers at Capitol Conference included Representatives Louis Gohmert (R-TX), Mike Rogers (R-MI), Tim Murphy (R-PA) and John Shimkus (R-IL) and Dr. Tevi Troy, Deputy Secretary of the Department of Health and Human Services. We also heard from Charlie Cook, widely regarded as one of the nation’s leading authorities on U.S. elections and political trends, who provided a perfectly timed 2008 election analysis on the morning after Super Tuesday. HUPAC contributors enjoyed a private breakfast with Representative Chris Van Hollen (D-MD), and an exclusive luncheon with Representative Michael Burgess (R-TX) was held at the Capitol Hill Club for Capitol Club contributors.

We also found time to have some fun! Attendees enjoyed an exclusive Super Bowl party hosted by the JW Marriott for NAHU members. HUPAC held a private “Spy City” bus tour of some of the most notorious sites in DC from the last 65 years of espionage history. And the New Agents Task Force sponsored a fun run/walk, with a goal of raising \$1,000 for Whitman-Walker Clinic. We actually raised \$3,500!

The 78th Annual Convention is shaping up to be another success. Our sold-out exhibit hall will feature a full contingent of companies displaying their latest products and services. Lunch will be served in the exhibit hall on two days, and we’ll have a number of prize drawings.

We have made a number of changes in the convention schedule to better serve the needs of our all of our attendees. Sunday will focus on leadership, with regional meetings, forums for incoming chapter officers and a keynote presentation by Steve Farber, an expert in business leadership, frequent news-talk show guest and author of *The Radical Leap: A Personal Lesson in Extreme Leadership*, which was named one of the best business books of the year.



The North Carolina delegation visits Capitol Hill.



Monday is our Education Day, with a full schedule of programming to help you manage and grow your business. Our general session will feature Ronald A. Williams, chairman and CEO of Aetna, who will speak about the future of our industry. We also have a focus on wellness and will hear from noted life balance expert Andy Core. Monday also features our new Wellness Certification Course, which will give you the tools to demonstrate the effectiveness of wellness programs and will address important legal and compliance issues.

Tuesday's highlights include two recognition events for members and chapters who have gone above and beyond the call of duty—the NAHU Awards Breakfast and the Harold R. Gordon Memorial Award banquet. Tuesday's general session will feature Dick Morris, one of the world's most prominent political consultants, who will give us the most up-to-the-minute insights on the 2008 election. The House of Delegates will be convened on Wednesday to consider changes to our bylaws and elect and install the incoming Board of Trustees.

## Helping You Improve

NAHU's student participation in the CDHC Certification Program has tripled in numbers. Chapters in Indiana, California, Maine, Maryland, Virginia, Wisconsin, Oklahoma, Colorado, Texas, North Carolina, Georgia, Florida, Ohio, Washington, New York, Arizona, Pennsylvania, New Jersey and Massachusetts hosted classes this year. In addition to being the first and best certification course on CDHC plans, the classes also serve as a member-recruitment tool for NAHU. If a non-member becomes a member of NAHU, the class tuition is waived. Then they attend, network and quickly learn to appreciate the value of NAHU membership.



NAHU is now also sponsoring the new Wellness Certification Course, which is approved for two hours of CE. This comprehensive overview draws upon dozens of sources and covers the need for wellness, effectiveness of wellness, guidance on implementation, legal issues, creating incentives and return on investment.

NAHU continues to offer value to its members with discounted enrollment fees toward industry educational offerings as a result of partnering with accredited education providers. Our newest partner, the International Foundation of Employee Benefit Plans, has discounted online education courses available on the NAHU website. We continue to work strategically on course renewals and increased enrollments with America's Health Insurance Plans (EHB, DIA and LTC Partnerships), the American College (RHU, REBC), the Corporation for LTC Certification (CLTC) and InsuranceStudy.com (Ethics, Health Insurance 101).

One of NAHU's most successful programs this year is an online format of the RHU and REBC designations hosted by NAHU and powered by the American College. The online courses continue to enroll students for the upcoming semesters. The demand has allowed us to increase the number of course offerings. This course is currently being instructed weekly by NAHU's Julie King. The medium has allowed NAHU members to study and exchange with one another across the country. Think outside of the box? Think outside of the classroom!

NAHU educational programs continue to grow under the guidance of the Education Committee, which works in tandem with industry advisory groups. Designations, certifications and packaged programming are all developed as essential tools to support chapters in strengthening monthly meetings and membership drives.

## Members by State

State	Number of Members
Alabama	102
Alaska	83
Arizona	296
Arkansas	180
California	2,535
Colorado	596
Connecticut	66
Delaware	31
Florida	1,013
Georgia	797
Hawaii	52
Idaho	260
Illinois	567
Indiana	718
Iowa	251
Kansas	227
Kentucky	400
Louisiana	446
Maine	40
Maryland	417
Massachusetts	210
Michigan	548
Minnesota	444
Mississippi	157
Missouri	235
Montana	23
Nebraska	361
Nevada	286
New Hampshire	39
New Jersey	592
New Mexico	151
New York	343
North Carolina	996
North Dakota	4
Ohio	761
Oklahoma	368
Oregon	626
Pennsylvania	743
Rhode Island	16
South Carolina	351
South Dakota	21
Tennessee	470
Texas	1,815
Utah	394
Vermont	4
Virginia	355
Washington	447
West Virginia	31
Wisconsin	581
Wyoming	2
<b>Total</b>	<b>20,451</b>

## Members by Region

Region 1-2	2,856
Region 3	3,025
Region 4	1,662
Region 5	3,886
Region 6	3,271
Region 7	1,722
Region 8	4,029
<b>Total</b>	<b>20,451</b>

## Expanding Our Reach

NAHU would not be the association it is without the support and involvement of our members. NAHU's membership-recruitment and retention trends have shown the value the association provides its members. In the 12 months ending April 30, NAHU's membership grew to over 20,400 members.

This year NAHU put a strong focus to emerging membership groups. These groups consist of Leading Producers Round Table, long-term care, consumer-directed health care and wellness. In addition, NAHU has been working with large agencies to show the value of membership to their producers.

During the past year, NAHU also deepened our carrier outreach programs to introduce large groups of producers to the benefits of membership. Colonial and Marsh participated in a program to offer their producers a complimentary three-month introductory membership. Many of those who signed up for the offer willingly stayed around when the complimentary period was over. We are securing similar commitments from other carriers and large agencies for the coming year.

Our sales force is our members: Over 95% of our new members are the direct result of a referral by an existing member. This year, 1,559 NAHU members sponsored at least one of their colleagues for NAHU membership, and 562 recruited two or more members. Our members' recruitment efforts represent one of our strongest assets.

Recognizing that our members are our sales force, we constantly look to develop new membership tools or to update our current tools to help them in this process. This year was no exception with the addition of NAHU's Marketing Video, eCommerce "One-Pagers" and Mass E-mail Procedures.

NAHU continues to provide tools that our members can use to promote their value and image. With our website, we are able to offer consumers a way to make good insurance purchasing decisions. Our "Find an Agent" lets them find NAHU members in their area who can help them with their health insurance decisions.

The collective strength of our members provides us many opportunities to offer them savings to grow their business through group discounts on industry publications, books and videos, E&O Insurance, wellness programs and practice specialty tools.

NAHU staff members attended several industry events to promote the benefits of NAHU membership and to show that the association is a driving force in the health care industry. More events are scheduled for the coming year.

Our membership initiatives are vitally important to our association. A few of the steps we have taken to strengthen our membership and how they mirror our strategic priorities: We continue to enhance our application and renewal processes. Members can renew their membership or apply for new membership online—quickly, easily and in real time. As we build upon the strength of NAHU, we will continue to create value and relevance for our current members and we will seek out effective ways to reach new members by implementing consistent, aggressive membership marketing and development initiatives along with the necessary financial resources to support these membership-development initiatives.

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## Striving for Excellence



NAHU's recognition program continues to grow with a new award this year: the Emerging Leader Award. This recognizes new members (five or fewer years in the association) who have demonstrated exceptional leadership skills in either the association or their community. In 2009, four such leaders will be recognized at the Annual Convention, along with NAHU's Distinguished Service Award winners and exceptional state and local chapters.

LPRT continues to grow with better-than-expected turnout in 2008. More agents are participating at a higher level and the program is producing more programming, more recognition and better events. NAHU's LPRT program is really taking off.

And so is NAHU's chapter program, with new chapters in Modesto, California, and Tupelo, Mississippi. The Connecticut AHU is revitalized and NAHU continues to focus on the New England region with New Hampshire and Vermont taking the spotlight.

NAHU's Silver Seal Certification continues to grow with the number of certified chapters jumping from 29 last year to 59 this year. Silver Seal Certified chapters represent chapters that are providing the programming, recruiting the leaders, taking care of their members and doing what it takes to be a top chapter.

To support the chapters in their leadership development, NAHU provides training for incoming presidents at Capitol Conference and, new this year, there is an education track for chapter leaders at NAHU's Annual Convention. Topics that will be tackled are strategic planning, recruiting volunteers and working with an executive director.

### ***Silver Seal Certified State Chapters***

California AHU  
Colorado AHU  
Georgia AHU  
Idaho AHU  
Illinois AHU  
Indiana AHU  
Massachusetts AHU  
Michigan AHU  
Minnesota AHU  
North Carolina AHU  
Ohio AHU  
Oklahoma AHU  
Oregon AHU  
Pennsylvania AHU  
Texas AHU  
Washington AHU

### ***Silver Seal Certified Local Chapters***

Atlanta AHU	Lincoln AHU
Baton Rouge AHU	Los Angeles AHU
Central AHU (CA)	Monmouth/Ocean AHU (NJ)
Central Florida AHU	New Orleans AHU
Central Pennsylvania AHU	Northeast Indiana AHU
Charlotte AHU	Oklahoma City AHU
Clark County AHU (NV)	Omaha AHU
Coastal AHU (NC)	Orange County AHU (CA)
Columbia AHU (SC)	Palm Coast AHU (FL)
Central Savannah River Area AHU (GA)	Portland AHU (OR)
Dallas AHU	Sacramento AHU
Des Moines Area AHU	San Antonio AHU
East Texas AHU	San Diego AHU
Fort Worth AHU	Sandhills AHU (NC)
Front Range AHU (CO)	Silicon Valley AHU
Greater Northern Indiana AHU	Southern Colorado AHU
Greater Phoenix AHU	Southwest Michigan AHU
Houston AHU	Southwestern Indiana AHU
Indianapolis AHU	Triad AHU (NC)
Kern AHU (CA)	Triangle AHU (NC)
	Western North Carolina AHU

## Protecting the Marketplace

NAHU's role as a leading advocate for free-market health insurance reform and the value of the agent continues to grow as health care continues to dominate the domestic policy agenda. NAHU has worked hard to be viewed as a source of balanced and accurate health insurance market information that lawmakers can rely upon. Just as our members work with their clients, NAHU seeks to educate and inform lawmakers and regulators about the dynamics of the health care market so they can better understand the issues before them.

Through these efforts, we have developed strong working relationships with policymakers on all sides of the political spectrum. These relationships are often borne out of the connections our membership have made in their states and the technical health insurance market expertise our membership is able to provide to its lawmakers. We pride ourselves on our association's grassroots strength and the number of lawmakers who say they can trust NAHU to give them an honest and balanced assessment of the measures before them.

The highlights of NAHU's government relations activities during the past year include the following:

**Health Insurance Reform:** In 2007, NAHU unveiled its new overall health insurance reform proposal: Healthy Access. The document provides a yardstick against which NAHU can measure other proposals and offers our own reform ideas, which NAHU believes will ensure all Americans "Healthy Access" to private health insurance. The proposal focuses on containing the cost of medical care through wellness initiatives, eliminating public-program cost-shifting and individual and group market tax equity, among many other ideas, and its principles guide our lobbying efforts both federally and in the states.

NAHU released a prepared presentation with detailed speaker information for our members to use in educating policymakers and the general public about the need for Healthy Access. We continue to expand and update our Healthy Access Database to assist consumers, members of the public and policymakers with understanding health insurance and available options.

Besides completing Healthy Access, NAHU has also spent a considerable amount of time this year reviewing comprehensive health care reform proposals that have been developed by other entities. We have provided feedback to all major presidential candidates on their plans, and we have met with many members of Congress about their comprehensive health care reform proposals to gather information and provide feedback.

In addition to meeting with those members of Congress who have crafted their own health reform proposals, NAHU made an effort to make sure that key congressional staff members are clear about health insurance market realities and the market impact of various health insurance market reform ideas. To do this, we have set up a series of high-level congressional staff briefings on market reform concepts like pooling and portability options. As a result, we have become sought out as experts on structuring health insurance market reforms appropriately so as to not damage the existing private marketplace. We hope to be able to leverage this expertise as various health care reform proposals receive more serious consideration following the 2008 election cycle.



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**Connectors:** One of the comprehensive health insurance reform ideas that is being debated most readily, both federally and even more frequently at the state level, is the concept of a health insurance “connector” or “exchange.” Based on a reform idea enacted in Massachusetts, connectors are essentially government-sponsored purchasing pools intended to offer consumers greater access to more tax-advantaged health insurance choices. NAHU has a number of economic and legal concerns about connectors, and the creation of similar large-scale purchasing pools in other states have done little to increase coverage and control costs. Connectors do not easily mesh with most existing market-friendly state health insurance market regulations.

To provide public education about these concerns, the association commissioned a private study to examine the feasibility of and legal issues surrounding health insurance connectors, which would merge state individual and small-group markets and create a state-organized purchasing pool. We made the finding of this study into a PowerPoint presentation, complete with detailed speakers notes and a “how to” training webinar, available for member use on [www.nahu.org](http://www.nahu.org). Furthermore, to help states where connector legislation is under active consideration, the NAHU Legislative Council crafted a white paper on connector realities and a “smart connector” alternative. All of these connector education materials are available on a special section of the NAHU website.

**Mental Health Parity:** Mental health parity passed both houses of Congress this session, and it is entirely likely that the president will sign compromise mental health parity legislation before the end of 2008. Although NAHU generally opposes benefits mandates, this legislation will move forward and we feel it is important to make sure the prevailing bill language causes minimal disruption to the private health insurance marketplace and does not seriously impact affordability. To that end, NAHU is extremely involved in a parity coalition comprised of mental health advocates, industry and the business community with the goal of achieving reasonable, cost-effective mental health coverage protections.

**Genetic Nondiscrimination:** A bill NAHU has worked on for many, many years, the Genetic Nondiscrimination Act (GINA), just became law this spring. Over the years, NAHU was asked many times to provide technical feedback on the legislative language in this measure, as well as suggestions to avoid unintended consequences. NAHU is proud that the final legislation contained many of our suggestions about clarifying the definitions in the bill to protect the rating of insurable risk, and also establishing a clear line between the two titles of the bill, one of which addresses discrimination in employment and the other in insurance.

**High-Risk Pools:** NAHU is extremely pleased that the omnibus appropriations bill signed by President Bush at the end of December 2007 includes \$49 million in federal funding for state high-risk pool programs. The money will be available to help subsidize the cost of premiums in existing state high-risk pools. Ensuring continuing federal funding for the high-risk pool grant program has long been a NAHU priority so that more high-risk individuals might be served by an insurance safety net in their states, and other traditional consumers might have more stable and affordable insurance premiums.

**Medicare:** NAHU’s recent work in the Medicare arena has been centered on preserving the future of the Medicare Advantage program as a coverage option for seniors, as well as fighting to preserve the ability of insurance producers to privately market Medicare-related insurance products. Funding for the Medicare Advantage program has been a target of many in Congress and the actions of a few unethical producers who have committed fraud and taken advantage of seniors regarding Medicare Advantage product sales have received much national media attention. NAHU’s message on this topic, which we have consistently conveyed all year to both policymakers and the press, is that while they might not be right for everyone, millions of Medicare beneficiaries are very happily



*NAHU member Peggy Olson (Portland, Oregon) testifies before The House Energy and Commerce Committee.*

insured under Medicare Advantage plans. And the abuses committed by a few “bad apple” producers are in no way reflective of our entire industry. American consumers should not be restricted in their purchasing options, nor should they be denied the service of licensed sales professionals as a result.

To convey our message, NAHU has met with federal and state insurance regulators, as well members of Congress. We have provided testimony on this topic to multiple congressional committees and the NAIC. In March 2008, our Medicare Advisory Group developed a comprehensive proposal for improved oversight and accountability in Medicare private insurance product sales and marketing, which we have presented to state and federal lawmakers and the press.

NAHU is currently in the process of preparing comments to CMS on the proposed federal regulation addressing restrictions on marketing Medicare Advantage and prescription drug benefit programs. We also are working with the NAIC to provide input on a draft white paper concerning Medicare marketing practices.

Perhaps our most significant contribution in this area, though, has been as a provider of agent education services. NAHU has really taken the lead in agent training regarding ethics in Medicare-related sales by partnering with AHIP to create a five-part, exam-based, agent education certification program regarding the sales of private Medicare products. It has become the industry standard...

**Consumer-Directed Health Care:** NAHU has long advocated that consumers need to be more in touch with actual cost of health care. We have worked diligently to make various types of options, such as HSAs, HRAs and FSAs, more available and useful to consumers. During the spring of 2008, consumer-directed health care options have been under a bit of a federal attack, with the House passing legislation in April requiring substantiation of all HSA transactions, the release of a GAO report from tax year 2005 data indicating that HSAs are more popular for those with higher earnings, and a Congressional hearing questioning the value of HSAs overall. To help fend off these attacks, NAHU has been hard at work with coalition allies in Washington to educate and help members of congressional committees who have a more open mind when it comes to consumers having more choice and control of their health care dollars.

**Trade Adjustment Assistance:** NAHU is currently working with members of Congress on the future of the health insurance tax credit contained in the Trade Adjustment Assistance Act of 2002 (TAA). The TAA program and its health care tax credit (HCTC) need to be reauthorized in 2008, and there are many on Capitol Hill who would like to see the program broadened in order to help more uninsured individuals. Since the HCTC is the only federal tax credit for the purchase of health insurance in existence, NAHU feels that it is crucial that the credit is structured well, even if it is targeted at a small population. Specifically, we would like to see the purchasing options for recipients revised to allow eligible individuals to purchase any coverage available and approved in their state, eliminating the need for a special state election. Also, we would like to see Congress make the TAA guaranteed-issue requirements mirror HIPAA group-to-individual portability requirements in terms of timeframe and purchasing option requirements.

The House passed a reauthorization bill in of October that includes provisions opposed by NAHU. The House bill would expand the HCTC program and establish new rating requirements for HCTC-eligible health insurance coverage offered through an insurer that contracts with a state to cover eligible individuals. NAHU feels that these changes would likely reduce coverage availability for tax credit recipients. Our objective in 2008 is to work with the Senate Finance Committee to ensure that more reasonable HCTC requirements are included in the final reauthorization of this program.

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In addition to our extensive direct lobbying efforts on TAA, we have also provided both House and Senate committees of jurisdiction with written testimony that contain our technical recommendations to improve the HCTC.

**Long-Term Care:** NAHU has been heavily involved for a number of years in promoting greater accessibility of long-term care insurance, and we continue to work with a number of other associations to achieve this goal. We are pushing for federal legislation to allow more flexibility in the use of 401(k) funds for long-term care expenses, would allow long-term care insurance to be sold through Section 125 plans, and would create an above-the-line tax deduction for the purchase of LTCI. On the state level, we have been extraordinarily involved in the implementation of Long-Term Care Partnership programs.

**SCHIP:** During the first half of the 110th Congress we spent a considerable amount of time on the reauthorization of the State Children's Health Insurance Program. NAHU concentrated its efforts on proposing specific structural changes to the program to further SCHIP's partnership with the private insurance market. It's our goal to make it even easier for private-market integration by removing some current restrictions that have hindered premium subsidy efforts of private-market employer-sponsored coverage.

NAHU took the lead in 2007 in developing a coalition to support premium assistance in SCHIP that includes carriers, providers, state officials and policy analysts. We worked hand in hand with legislators on both sides of the aisle making very specific and technical suggestions on how the program could be modified and developed some unique materials to advance this issue, such as detailed legislative recommendations and analyses, written testimony and a chart using real employer group rates and contribution levels to illustrate the cost-effectiveness of our idea. NAHU is extremely proud that the vast majority of our premium-assistance recommendations were included in the multiple bipartisan SCHIP reauthorization bills passed by Congress during the fall of 2007. President Bush vetoed all of these measures for unrelated reasons, and each veto was sustained.

Since the program was set to expire, Congress and the president did in December 2007 temporarily reauthorize the State Children's Health Insurance Program at current funding levels through March of 2009. However, NAHU continues to advance our SCHIP premium-assistance goals with the 110th Congress and will do so with the new administration as well.

**What We Do In the States:** NAHU has one of the most active state legislative departments in or outside of Washington, DC. It would be too lengthy to talk about activities in each state, but we provide a variety of services that our chapters find helpful in their work on state legislative and regulatory issues. We regularly assist our state chapters with legislative language and strategy and in development of working coalitions to achieve their objectives. We work with state legislators, regulators and other officials on implementation of legislation and particularly on state/federal cooperation on federally passed legislation.

We attend and participated in four annual National Association of Insurance Commissioners meetings, four National Insurance Producer Registry meetings, three National Conference of Insurance Legislators meetings, three American Legislative Exchange Council meetings, one National Conference of State Legislators meeting and one National Association of Comprehensive Health Insurance Plan meeting. We serve as a member of the NAIC's Industry Liaison committee and are active members of the Industry Education Committee to NCOIL. In addition, NAHU is part of the NIPR Board of Trustees rotation. We provide written and oral testimony to all of these groups when-

ever issues of relevance to health insurance producers are raised, and have presented education information at the request of these organizations on other health-related issues.

**Grassroots Efforts:** In politics, legislative success is closely related to the ability to “mobilize the troops” and NAHU has one of the strongest grassroots networks in Washington. Our 20,000 members are our greatest asset, and they respond quickly whenever we ask them to contact their elected officials. Operation Shout is our online forum for sending letters via e-mail to both state and federal legislators. Operation Shout contains valuable background information, links to federal and state government websites, voting records, issue summaries, PAC details and election information.

To further mobilize our grassroots resources in the states, particularly during the upcoming election cycle, NAHU invested in additional electronic grassroots technology in the fall of 2007. Using this technology, we have been able to provide all NAHU state chapters with membership information matched by both congressional and state legislative districts. By coupling this information with training and chapter support, NAHU hopes to help our chapters maximize their key contact and grass-top potential. In addition, we have been able to use the technology to survey our members about their grass-top connections, and we will continue on with this effort in 2008. It’s NAHU’s hope that collecting this data and sharing it with our chapters will enable us to maximize our potential in communicating our message to policymakers, both federally and in the states.

In addition to our electronic capabilities, we have been able to regularly arrange meetings with members of Congress and our members in their district, as well as town hall meetings and workshops sponsored by their congressional representatives during each recess. These efforts will continue with even greater intensity as we build up to the November 2008 elections.

**HUPAC:** NAHU’s political action committee, HUPAC, had a record year in terms of fundraising. The PAC broke its \$350,000 annual fundraising goal handily and raised more than \$20,000 for its administrative expense fund. Member contributions to HUPAC are being distributed to candidates continuously throughout the 2008 election cycle, through fundraiser attended both by NAHU lobbyists in Washington and NAHU chapter leaders in-district.

To improve capabilities and save resources, we switched administrative vendors in the fall of 2007, which has allowed HUPAC to upgrade many member services. In January 2008, HUPAC launched a retooled website that allows individual donors to track their own contributions, track HUPAC contributions to their individual legislators, and complete online transactions more efficiently. HUPAC also created two new newsletters for donors. HUPolitics is a monthly political outlook report sent exclusively to HUPAC Capitol Club contributors. The State of the HUnion is a quarterly newsletter that will be sent to all HUPAC contributors.

HUPAC has ambitious fundraising goals for 2008 for our chapters and our PAC as a whole. The HUPAC Board will be working diligently throughout the year to advance NAHU’s objectives during the 2008 election cycle and to reach our ultimate goal of being a million-dollar PAC.

**Upcoming Projects:** In May 2008, the NAHU Legislative Council authorized the creation of two new policy working groups. The Individual Market Reform Working Group has been tasked with developing a comprehensive policy proposal to ensure Americans access to affordable individual market coverage. The proposal will cover affordable access for uninsurable individuals, coverage options for early retirees and portability, rating and



access requirements, among other topics. The goal of the working group is to have its policy recommendations completed and submitted to the NAHU Board of Trustees for approval by the fall of 2008.

The International Health Systems Working Group will be compiling information about the health care delivery systems in countries around the world. The group plans to develop a comprehensive set of measures to compare these systems and make the information available to NAHU members, policymakers and the general public through a Web-based and searchable database to be housed on the NAHU website. The group will begin compiling data this summer, with the hope of launching the first stage of the database by the end of 2008.

## Improving the Lines of Communication

NAHU's primary method of communicating with all of its members, as well as thousands of prospective members and subscribers, is the Health Insurance Underwriter magazine. In the past year, HIU has continued to improve the information it delivers to its readers. We tap the industry's leading experts, and they share their sales, technology and product knowledge in the magazine each month.

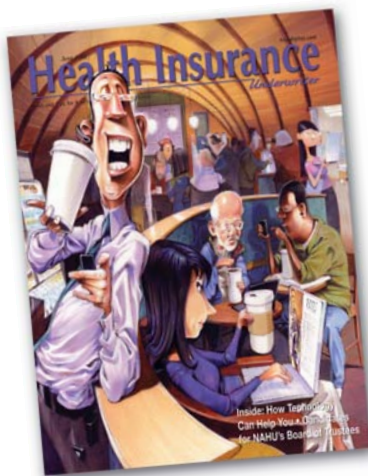
To help spread awareness of NAHU and all that it does for its members and the industry, HIU set a goal of increasing its circulation from 30,000 at the end of 2007 to 40,000 at the end of 2008. We're on pace to achieve that.

The front cover of HIU was recently redesigned so that a non-member could "get" what the magazine covers just by looking at the cover. HIU's website was also updated in early 2008. The new site, [www.hiu-digital.com](http://www.hiu-digital.com), is a complete online version of the print magazine. It has exciting new options that allow visitors to forward articles to colleagues or clients, and it has given the magazine potential for increased advertising revenue.

Speaking of ad sales, HIU's continue to grow. Advertisers consistently tell us that being in HIU gives them more bang for their buck and they know that their message is being seen by the industry's top producers.

NAHU also continues to refine and add to its e-mail communications to members. Using the MagnetMail software, we are capable of sending HTML-enabled messages and tracking the delivery results. Messages about upcoming meetings, education opportunities, legislative alerts and member benefits are sent using this system.

We are also capable of conducting member surveys and immediately seeing the results. In early 2008, NAHU sent its first thorough member-satisfaction survey in several years, and the results are helping the Board of Trustees and staff guide the association in the ways that its members want.





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