

NEWS – CONGRESSMAN PETE STARK

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FOR IMMEDIATE RELEASE

Friday, September 10, 2010

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**STARK ASKS INSURERS – WHAT DO YOUR POLICYHOLDERS GET FOR YOUR
HIGH PROFITS?**

WASHINGTON – Rep. Pete Stark (D-CA), Chairman of the House Ways and Means Health Subcommittee, today sent the following letter to Karen Ignagni, President and CEO of America's Health Insurance Plans (AHIP), regarding her call for using basic economics in premium pricing.

The full text of Chairman Stark's letter is below. For a PDF of the letter, please visit:

<http://go.usa.gov/xY6>

For a printable factsheet on insurance company profits and CEO pay, please click here:

<http://go.usa.gov/cD1>

September 10, 2010

Karen Ignagni
President and Chief Executive Officer
America's Health Insurance Plans
601 Pennsylvania Avenue, NW
South Building, Suite 500
Washington, DC 20004

Dear Ms. Ignagni:

I read with interest your statement in response to Secretary Sebelius's letter on premium hikes by insurance companies. You wrote, "It's a basic law of economics that additional benefits incur additional costs, and the impact on premiums depends on the type and amount of coverage policyholders had before."

As long as we are abiding by the basic laws of economics, we can all agree that with bigger profits should come lower premiums.

Given that the second quarter earnings reports of your member organizations show billions more in profits over last year, I am eager to hear how you intend to share these profits with policyholders.

Sincerely,

Pete Stark
Chairman
House Ways and Means Health Subcommittee

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