

Senator John D. (Jay) Rockefeller IV, Chairman

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<http://commerce.senate.gov>

November 21, 2011

Contact: Jena Longo

202-224-8374

ROCKEFELLER SAYS DON'T DENY CONSUMERS FULL HEALTH REFORM LAW REBATES AHEAD OF NAIC VOTE

WASHINGTON, D.C.—Chairman John D. (Jay) Rockefeller IV voiced concern today ahead of a vote by the National Association of Insurance Commissioners (NAIC) to support exempting health insurance agents and brokers fees from one of the health care reform law's most important consumer protection provisions. Under this so-called "medical loss ratio" law, which Chairman Rockefeller championed during the debate over health care reform, insurers are required to spend at least 80 percent of their customers' premium dollars on providing health care and improving quality of life.

According to NAIC's own health insurance experts, exempting agents and broker fees from the medical loss ratio calculation would allow insurance companies to retain billions of dollars that current law requires them to give back to consumers in the form of rebates or lower premiums. The NAIC's analysis shows that if the medical loss ratio rebate provisions had been in effect in 2010, American consumers in all 50 states would have received rebates totaling almost \$2 billion from their health insurance companies. The NAIC analysis also shows that these consumer rebates would have been reduced by more than \$1.1 billion (or more than 60%) if agent and broker commissions were excluded from the medical loss ratio calculation. A May 24, 2011, [Senate Commerce Committee Staff Report](#) (http://commerce.senate.gov/public/index.cfm?p=Reports&ContentRecord_id=e5361268-9f7f-456c-b1ed-097c9cda2943&ContentType_id=6a6fef64-34f1-4348-b965-ec03a1dcadfe&Group_id=a89b0b93-3242-4d2a-82da-5e916a62b6a9) provides an analysis of NAIC's data.

A letter Chairman Rockefeller sent to Florida Insurance Commissioner Kevin McCarty expressing his concerns with the resolution to be considered by the NAIC can be found [here](#) (commerce.senate.gov/public/?a=Files.Serve&File_id=33422670-9f59-48ac-993c-667f454cacac).

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