



News Release

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

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Commissioner Praeger Addresses National Press Club; NAIC Continues to Fight for Protection in AHPs

Washington, D.C. (July 21, 2005) – Speaking on behalf of the National Association of Insurance Commissioners (NAIC), Kansas Insurance Commissioner and NAIC Secretary-Treasurer Sandy Praeger addressed the National Press Club on the Associated Health Plan (AHP), following today’s release of the Georgetown University AHP Fraud Report: Loss of State Oversight Means Regulatory Vacuum and More Fraud. “The principal goal of insurance regulation is to protect consumers. To allow federal AHPs to operate outside the authority of state protection will expose consumers to more fraud and insurance scams,” said Commissioner Praeger.

“Every time state protections have been limited, we see more fraud, loss of coverage and mounting unpaid medical bills for providers and consumers,” Commissioner Praeger continued. She reiterated that state regulators have the resources and expertise necessary to prevent, identify and shut down fraudulent plans and protect consumers.

The fight against fraud on the state level has proven to be significantly more effective than at the federal level. For every 13 fraudulent plans state insurance departments shut down during the most recent cycle of insurance fraud and scams, the federal government only eliminated one.

Commissioner Praeger emphasized that the federal government and states need to collaborate to find real solutions to consumers in the health insurance industry, such as holding down rising costs and expanding access to coverage.

“While appealing on the surface, AHPs are not a viable option for consumers,” said Commissioner Praeger. “The Georgetown report highlights that once consumer protections are removed, AHPs put the healthcare of Americans at risk.”

About the NAIC

Headquartered in Kansas City, Missouri, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and U.S. territories. The association’s overriding objective is to assist state insurance regulators in protecting consumers and helping maintain the financial stability of the insurance industry by offering financial, actuarial, legal, computer, research, market conduct and economic expertise. Formed in 1871, it is the oldest association of state officials. For more information, visit NAIC on the Web at: www.naic.org/pressroom.