



# News Release

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

**FOR IMMEDIATE RELEASE**

Contact: Scott Holeman, (816) 783-8003  
Miun Gleeson, (816) 783-8077

EXECUTIVE  
HEADQUARTERS

2301 MCGEE STREET  
SUITE 800  
KANSAS CITY MO  
64108-2662  
VOICE 816-842-3600  
FAX 816-783-8175

GOVERNMENT  
RELATIONS

HALL OF THE STATES  
444 NORTH CAPITOL ST NW  
SUITE 701  
WASHINGTON DC  
20001-1509  
VOICE 202-624-7790  
FAX 202-624-8579

SECURITIES  
VALUATION  
OFFICE

48 WALL STREET  
6<sup>TH</sup> FLOOR  
NEW YORK NY  
10005-2906  
VOICE 212-398-9000  
FAX 212-382-4207

WORLD  
WIDE WEB

[www.naic.org](http://www.naic.org)

## **NAIC Continues to Fight for Consumer 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 detrimental impact federal Associated Health Plan (AHP) legislation would have on consumers. Commissioner Praeger made her comments 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

Page Two of Two

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](http://www.naic.org/pressroom).