

**COMMENTS
OF
AMERICAN INSURANCE ASSOCIATION
ON
JUNE 18, 2010 DRAFT
OF
SUPPLEMENTAL HEALTH CARE EXHIBIT**

The American Insurance Association and its member insurers much appreciate the opportunity to submit additional comments on the proposed Supplemental Health Care Exhibit. Our comments reflect the twin objectives of achieving full compliance with the letter and spirit of all applicable laws but also to avoid unnecessary administrative burdens that ultimately put upward pressure on insurance premiums for consumers.

Our companies are not, as a general matter, engaged in the kind of health insurance business that is the target of, and reason for, this exhibit. However, the language of the exhibit is so broad that it would sweep in lines of insurance never intended to be covered and thereby force the unproductive expenditure of resources. In this connection, we have appreciated the willingness of the NAIC to listen to and modify the forms and/or instructions to avoid negative results.

While we would much prefer the deletion of Columns 5 and 6, we realize that result may not be feasible at this time and that our issues are now best resolved through the instruction language. Accordingly, we respectfully request the addition of this or equivalent language in the instructions: "Insurers reporting no premium in Columns 1, 2, and 3 are not required to complete the exhibit. If the total amount of premium reported under Part 1, Line 1.1 for Columns 1, 2, and 3 does not exceed 5% of the total premium reported under Part 4, Line 6 of the Accident and Health Policy Experience Exhibit, reporting is not required for Columns 5 and 6."

The proposed language will achieve a beneficial balance of meaningful reporting and avoidance of unnecessary costs. We are available to answer any questions you may have. Thank you.